TORBAY COUNCIL

Clerk:	Lisa Antrobus	Governance Support
Telephone:	01803 207013	Town Hall
E-mail address:	governance.support@torbay.gov.uk	Castle Circus
Date:	Friday, 20 November 2026	Torquay
		TQ1 3DR

Dear Member

CABINET - TUESDAY, 24 NOVEMBER 2026

I am now able to enclose, for consideration at the Tuesday, 24 November 2026 meeting of the Cabinet, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
10.	**Regeneration Programme Funding**	(Pages 3 - 246)

Yours sincerely

Lisa Antrobus
Clerk

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TORBAY COUNCIL

Report title: Regeneration Programme Funding - The Redevelopment of the Strand (Torquay), New Employment Space at Oxen Cove (Brixham) for the Fishing Industry, New Employment space at Tech Park (Paignton) for the Photonics Industry and the enhancement of Central Brixham (Middle Street/Bank Street Public Realm including Central Car Park)

Report to:	Cabinet & Council
Date:	Cabinet 24th November 2026 and Council 10th December 2026
Lead Cabinet Member:	Cllr Chris Lewis, Place Development and Economic Growth
Email:	chris.lewis@tobay.gov.uk
Lead Director:	David Carter – Director of Regeneration and Place Delivery
Email:	David.Carter@torbay.gov.uk
Wards affected: All	All

1. Summary of Report:

1.1. This report sets out the decisions that need to be made in respect of a number of key projects across Torbay, namely;

- The Strand,
- Oxen Cove,
- Tech Park, and
- Brixham Central.

Taken together, these projects will facilitate over 400 new jobs, create £150m of inward investment and provide over £1bn in additional GVA over the next 30 years.

1.2 The projects have been developed over the last 5 years using Town Deal Funding and Levelling Up Round 3 Funding. These funding pots were condensed into a single funding pot in October 2025, which is called the Local Regeneration Fund (LRF), with remaining monies in the fund to be spent by 1st April 2028.

1.3 By aggregating the projects financially, it will create efficiency in development funding by attracting the lowest cost of capital possible. This report therefore seeks a number of decisions in order to progress delivery of the projects.

2. Recommendations and Proposed Decision

1. In respect of the Strand redevelopment;

    a. To support the Business Case (attached at Appendix 1), and to support in principle the mix of funding sources through which the Business Case can be delivered,
    b. To note that the final funding mix sources will be presented to Full Council for approval in the summer of 2027,
    c. To delegate authority to the Director of Regeneration, in consultation with the Cabinet Member for Place Development and Economic Growth, the Cabinet Member for Finance and Housing and the Director of Finance, to enter into the following agreements, on the basis that they are conditional upon the final funding sources to be approved by Full Council in the summer 2027;
        i. a Development Agreement contract (exempt Appendix 2)
        ii. a funding and financing agreement with an institutional investor.
        iii. a 50/50 joint venture agreement with a hotel company to own and operate the Hotel element of the project (Hotel Operating Company) subject to both parties meeting the conditionality of the agreement, on the basis of a minimum £2m equity investment for 50% of the Hotel Operating Company (exempt Appendix 4),
    d. To request that the Chief Executive and the Director of Finance develop a comprehensive package of proposals in order to minimise the required PWLB and Institutional Investment required to deliver the project, thereby reducing the level of long term risk to the Council.

2. To allocate £26.53m of the LRF grant to each project shown below:

	LRF Grant
Programme Total	£26,531,000.00
Project	**Proposed Allocation of LRF**
Paignton Tech Park	£3,895,000.00
Brixham Oxen Cove	£11,200,000.00
Torquay The Strand	£11,186,000.00
Brixham Central	£250,000.00
Total	**£26,531,000.00**

3. To approve PWLB up to a maximum amount of £15m to deliver the projects at Oxen Cove and the Tech Park, subject to Final Business Cases being presented to Cabinet for approval.

4. To approve the ring fencing of the net rental income from the Regeneration Programme projects in this report, to ultimately provide funding to finance the overall PWLB funding required to deliver the programme.

3. Reasons for the Recommendations and Proposed Decision

3.1 The ultimate delivery of these Regeneration projects is central to the Council's ambition to regenerate both physically and economically Torbay's town centres through key economic assets and sectors where we have regional and national advantage.

3.2 Table 4.2 below shows the summarised individual benefits and the aggregate benefits from the Economic Impact Analysis of the projects. There is also a further beneficial impact of agglomeration from the interaction of the projects.

3.3 Oxen Cove will provide 2500m2 of new employment space for marine aquaculture and is likely to be occupied primarily by the shellfish industry who will use it to add value to locally caught and grown shellfish by processing and holding it as live catch. The new space will also allow a fundamental reorganisation of the existing port site, increasing value and efficiency in operation and creating additional employment. The project has stimulated the industry to act to move lower value storage and support services to new premises within Torbay.

3.4 Tech Park will provide 1900m2 of grade A Research and Development and Production facilities for the Photonics Industry that have outgrown the EPIC facility, freeing up space in EPIC for new and emerging firms.

3.5 The redevelopment of the Strand will create an upscale Hotel with 144 bedrooms and 3 retail units. Commercial interest with potential occupiers has been very high reflecting the quality of the proposed development and leveraging the high quality of the Harbour Public Realm scheme.

3.6 Creating a high-quality public realm in main arrival point in Brixham Town Centre allied to additional and higher quality parking provision will boost the local economy and attract more visitors and local people across Torbay to visit Brixham.

3.7 Success will be measured by the physical delivery of the schemes, the occupiers and the rental income achieved and most importantly the delivery of the intended long term social, environmental and economic benefits that are set out in the Economic Appraisal.

4. Background and Context:

4.1 The Council has been developing the current regeneration programme since 2022. The development and delivery process accelerated after the selection of Wilmott Dixon and Milligan (WDM) as our regeneration partner in October 2023. The programme has benefited from capital grant funding secured in 2024 through a combination of Levelling Up Round 3

(LUF) and Levelling Up Partnership Funding (LUP) to add to the previously funding secured from the Future High Streets Fund and Town Deal.

4.2 Merging of funding

In September 2025 the Government announced that it was consolidating the Levelling Up Fund, Town Deals and Simplification Pathfinders Pilot Funds together into a single funding pot, Local Regeneration Fund, providing greater flexibility and supporting local leaders to drive growth.

The LRF programme's objectives were set out as:

- **Increase efficiency** – reduce administrative complexity and duplication across multiple funding streams.
- **Enhance effectiveness** – allow local authorities to allocate resources based on local priorities, leading to better project outcomes.
- **Accelerate project delivery** – reduce delays caused by central approvals and fragmented funding arrangements.
- **Improve value for money** – achieve greater impact through strategic alignment and local prioritisation.

4.3 The Government extended the deadline for all funding from the LRF from April 2026 to April 2028 to have committed spend. Consequently, the Council has used the funding flexibilities provided to maximise the impact of the programme and ensure the sequential delivery of the Tech Park and Oxen Cove in 2027/28, to start the main works for the Strand in Q4 2027 and to submit a planning application for Brixham Central in Spring 2027.

Table 4.1 - Summary Programme of 4 schemes

	2026		2027				2028				2029				2030			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Tech Park	OBC	FBC	CONSTRUCTION															
Oxen Cove		OBC	FBC	CONSTRUCTION														
The Strand		OBC			FBC				CONSTRUCTION									
Brixham Central			SOC		OBC	FBC	ENABLING			CONSTRUCTION								

4.4 Maximising (Aggregating) Benefits

The Government's objective of merging the funding and encouraging 'freedom and flexibilities' was to allow Local Authorities to allocate the Capital Grant in the most efficient way to deliver the maximum return. A simple example is aggregating the costs and overall value of the programme to deliver more than an individual project could do with a fixed amount of capital grant.

The approach taken by the Council has been to allocate capital grant to specific schemes in order to consistently report to Government (as set out below in Table 8.1 in Section 8) and aggregate the overall income from each scheme at programme level.

4.5 Economic Impact

The primary objective of the Regeneration Programme is to raise the value of economic, social (people) and natural assets across Torbay to arrest our relative economic decline and tackle some of our deep-rooted deprivation issues. To ensure the regeneration programme delivers our desired economic outputs the Council has undertaken a comprehensive assessment of the economic impact of the overall Regeneration Programme contained in Appendix 4. In addition, as required by Treasury Green Book reporting we have undertaken more detailed economic analysis contained in the Economic Case of draft final Business Case of the Strand in Appendix 1

Table 4.2 - Summary of Economic Benefits - Gross Direct Impacts

	Temporary Construction Impacts			Permanent Place Impacts			Public Sector Value
Project	**Person Years Employment**	**Wages**	**GVA**	**Jobs**	**Annual Wages**	**Annual GVA**	**BCR**
Tech Park	140	£5m	£9m	120	£6m	£17m	6.8
Oxen Cove	95	£3.9m	£6.6m	44	£1.5m	£3.2m	3.8
The Strand	367	£14.3m	£24.2m	163	£4.4m	£7.5m	2.7
Total	**602**	**£23.2m**	**£39.8m**	**327**	**11.9m**	**£27.7m**	
Brixham Central	128	£5m	£10m	20	£0.6m	£0.7m	2.8

Table 4.3 - Summary of Economic Benefits - Net Indirect Impacts

	Temporary Construction Impacts			Permanent Place Impacts			Public Sector Value
Project	**Person Years Employment**	**Wages**	**GVA**	**Jobs**	**Annual Wages**	**Annual GVA**	**BCR**
Tech Park	203	£8m	£14m	35	£2m	£5m	6.8
Oxen Cove	138	£5.7m	£9.6m	40	£1.3m	£2.9m	3.8
The Strand	533	£20.7m	£35.1m	84	£2.3m	£3.9m	2.7
Total	**874**	**£34.4m**	**£58.7m**	**159**	**£5.6m**	**£11.8m**	
Brixham Central	186	£7m	£10m	11	£0.3m	£0.4m	2.8

Table 4.4 – Total of Overall Economic Impact

	Temporary Construction Impacts			Permanent Place Impacts		
Programme Level	**Person Years Employment**	**Wages**	**GVA**	**Jobs**	**Annual Wages**	**Annual GVA**
Gross Direct	602	£23.2m	£39.8m	327	11.9m	£27.7m
Indirect	874	£34.4m	£58.7m	159	£5.6m	£11.8m
Total	**1476**	**£57.6m**	**£98.5m**	**486**	**£17.5m**	**£39.5m**

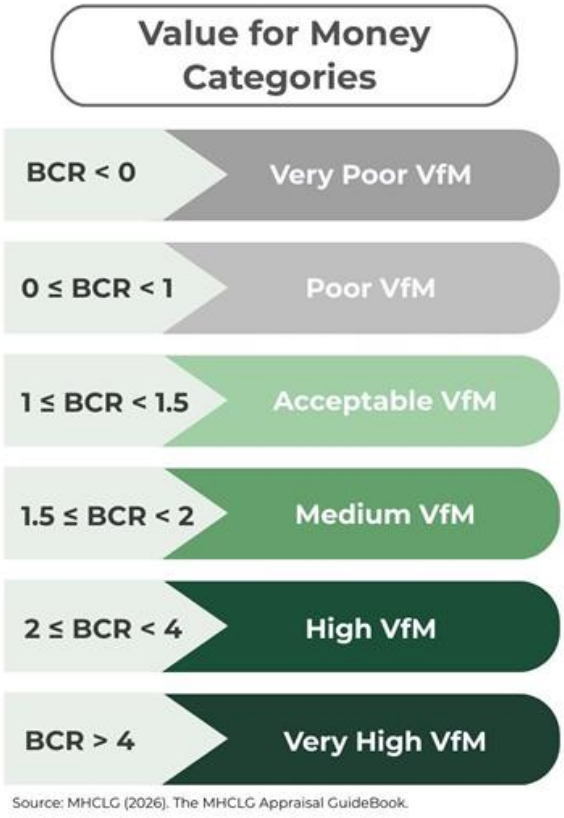
4.6 Agglomeration

A full economic appraisal of the overall regeneration programme comprising of 12 projects, is attached at Appendix 7 with the scheme specific data presented above in Tables 4.2 to 4.4. The report considers the agglomeration effect of delivering the full programme of 12 projects, this can be described as additional benefits that will be created by the interaction of the projects when delivered. There would be an agglomeration effect in delivering the three projects together that would increase the total aggregated numbers in Table 4.4.

The calculation of public sector benefits in terms of Benefit Cost ratio to determine value for money is set out below extracted from HM Treasury Guidance. A ratio of greater than 1 means that there are greater monetised benefits in the scheme than it cost.

Value for Money (VfM)

Value for Money is a judgement about the optimal use of public resources to achieve policy objectives based on the value to society of all economic, social and environmental benefits. The benefit to cost ratio (BCR) is an important factor in a project's value for money. Where a project is expected to deliver high value for money, it means that the assessed benefits are high relative to public sector costs.



Source: MHCLG (2026). The MHCLG Appraisal GuideBook.

Summary explanation of calculated economic benefits and reasoning for approaches taken

Issue/Approach	Commentary/Notes
The rationale for using a 60 year return period used for the economic assessment for wages and GVA	The Economic Case is based on work that was undertaken in the spring of 2026 to demonstrate Green Book compliant socio-economic benefits and value-for-money of a programme of regeneration projects in Torbay. Appraisal over 60 years is UK Government advice. HM Treasury (2026) The Green Book: UK Government Guidance on Appraisal, states at paragraph 6.11: "Practitioners should use the following time horizons, which are additional to year 0 … 60 years for infrastructure, such as roads, railways and new buildings".
The approach to how construction phase jobs are calculated	Taking the example of the 533 net person years calculated for the Strand: Gross direct impact of 367 FTE jobs is set out in Table 3.1. of the Economic Appraisal submitted with the planning application for the Strand and the method of calculation is described in paragraphs 3.6, 3.7, and 3.8. In the same document. The method for calculating the net additional impact is set out in Table A2.1 in Appendix 2 of Appendix 7. Sources are given for each value.

	This includes: • Leakage of 16% i.e. the loss of 16% of benefits out of Torbay. • Displacement of 25% i.e. displacement of 25% of benefits within Torbay. • Multiplier effect of 1.31 i.e. 1.31 additional jobs for every direct job in construction. • Deadweight of zero. Which is assessed as 367 x (1–0.16) x (1–0.25) x (1+1.31) = 533
Type of roles to be created	Again using the Strand as an example in the Economic Appraisal submitted with the planning application for the Strand. Paragraph 3.12 of the economic case states "The economic benefits from the operational phase are assessed over a 60-year period and are discounted to present values." The £67 million value is the discounted figure for wages generated by the hotel over the 60 year period. The undiscounted figure is £172 million over 56 years of the 60 year appraisal period, equivalent to £3,063,000 per year. The undiscounted figure is calculated by multiplying 115 FTE jobs in the hotel by an average salary of £26,600, derived from the ONS Annual Survey of Hours and Earnings median pay for a full-time job in the Accommodation sector in the South West. This is greater than the current minimum wage of £12.71 per hour, which would equate to annual pay of £24,800 for a 37.5 hour week.
Whether the schemes will displace existing employment locally, regionally and nationally	In standard economic assessments HM Treasury Green Book prescribes displacement figures to avoid bias and artificial inflation preferentially derived by the scheme promoter. In the case of the three schemes there are practical reasons to suggest that the displacement numbers considered are overly pessimistic: Tech Park – The scheme is a direct intervention to create new employment space for a specialist sector that clusters in Torbay. Without the project the creation of new businesses and development into SME's would likely either not happen or would be dispersed and not benefiting from the concentration of specialisation and agglomeration. Oxen Cove – The project is targeted at creating new employment space for sustainable fisheries e.g. Shellfish that use the sea in the local/regional area to grow the industries sustainably e.g. Muscle Farm and Scallop Hatcheries i.e. it is difficult to replicate elsewhere in the South West of England logistically, and wouldn't have the same economic value elsewhere in the UK due to Brixham's ability to command a premium in the UK market. The Strand – The appraisal assumed a 50% displacement as prescribed by the Treasury Green Book as medium level displacement. However in reality the type, location and facilities of the proposed Spa Hotel are not replicated elsewhere in Torbay hence any displacement would occur from other UK sites and desirably would attract supressed visitor spend in Torbay that wouldn't happen elsewhere.

5. Alternative Options Considered:

5.1 In the development of each project the production of a business case to HM Treasury Green Book guidance requires a ‘do nothing’ option is given consideration, however the awarding of circa £40.9m LRF funding with intention to develop and deliver the projects means that do nothing scenarios have been discounted as they would not deliver the intended outcomes that Torbay Council has set and the Governments grant conditions require us to deliver.

5.2 In the development of each business case options are required to be considered in the SOC to determine a preferred option for each site, following which any OBC or FBC only present the Councils preferred option.

6. Contribution to Council Priorities:

The Regeneration Programme Torbay Councils contributes to Council priorities for pride in place by:

- Drawing investment into our towns and breathing life into our town centres, partnering with the private sector to deliver major projects.
- Maximising heritage and cultural opportunities for the enjoyment and benefit of residents and visitors.
- Delivering priority capital projects within the Council’s Capital Programme.
- Protecting and enhance our lived, built and natural environments, including our green spaces.

And is intended to achieve the following outcomes:

- Established pathways for young people, including those with special educational needs and/or disabilities (SEND), and unemployed to employment opportunities with skills levels moving toward national averages.
- Improved productivity in Torbay which closes the gap compared to the national data.
- The number of businesses and jobs in Torbay increases.
- Better balance of full-time to part-time opportunities.
- Targeted approach to inward investment which attracts new high-tech companies.

7. Consultation and Engagement:

7.1 Each project has been through both informal engagement and formal statutory consultation as set out the table below and flows from the consultation on the Councils Corporate Plan to the engagement process with the Torbay Regeneration Vision and Torbay Story and engagement and statutory consultation associated with each project planning application.

Project	Period	Total participants	Business engagement	Community meetings	In-person
The Strand (consultation)	Jul 2025	1,119	140	40	345
Oxen Cove (consultation)	Mar-Apr 2026	811	60	42	350
Brixham Central Phase 1 (engagement)	May 2026	429	60	6	100
Brixham Central Phase 2 (engagement)	Oct 2026	393	40	0	165
Tech Park	Engagement and consultation activities have not yet commenced for this project				

8. Implications:

8.1 Financial Implications:

There are no immediate financial implications, the Council will continue to develop each project within the programme until FBC stage is reached using the allocated grant funding (as apportioned in Table 8.1 below).

Upon approval of the FBC of each project there will be a decision in respect of the funding of the same. For Oxen Cove and the Tech Park Cabinet will receive the FBC and will be able to authorise PWLB within the limit provided by Full Council as a part of this decision. In respect of the Strand, this will return to Full Council for consideration.

The council has allowed a revenue provision to cashflow construction of the projects in the regeneration programme in the MTFP in future years annual budgets.

Table 8.1 - Summary of Estimated Programme and Project Cost

		Funding		
	Cost	**LRF Grant**	**LUP Grant from 2024**	**Equity Investment**
Programme Total	£95,276,000.00	£26,531,000.00	£250,000.00	£2,000,000.00
Project Breakdown	**Cost per Scheme**	**Current Allocation of LR**	**LUP Grant**	**Equity Investment**
Paignton Tech Park	£6,800,000.00	£3,895,000.00		
Brixham Oxen Cove	£13,300,000.00	£11,200,000.00		
Torquay The Strand	£74,676,000.00	£11,186,000.00		£2,000,000.00
Brixham Central	£500,000.00	£250,000.00	£250,000.00	
Total	**£95,276,000.00**	**£26,531,000.00**	**£250,000.00**	**£2,000,000.00**

8.2 Legal Implications:

The council has used external legal advice from Addershall Goddard managed through our own legal department throughout the development of the programme and individual projects.

The Council has sought specific advice on the following specialist areas to ensure a robust approach:

- Compulsory Purchase of third party land within the red line boundary (development area) for the redevelopment of the Strand
- Structure of the land holding, joint venture special purpose vehicle
- Procurement Advice on Hotel Management Contracts
- VAT and Tax Advice as it pertains to the proposed funding, finance and operating structure of the redevelopment of the Strand.

8.3 Corporate Parenting/Children and Young People:

The Regeneration Programme is expected to benefit children and young people by creating new direct employment opportunities and strengthening civic pride. Through Build Torbay and supply chain social value commitments, specific employment opportunities will be created for care leavers and care-experienced local residents, supporting their access to the benefits of regeneration.

8.4 Associated Risks, Risk Tolerance Level and Mitigations:

A summary of key risks associated with the recommendations in this report are shown in the table below

The risks of not approving the recommendations include the stalling of development of the schemes where an in principle decision to progress is required to develop schemes to Full Business Case status. Overall risk exposure is assessed as acceptable within the Council's risk tolerance appetite.

Risk	**Risk score before mitigations**	**Mitigations**	**Risk Score after mitigations**	**Risk tolerance**
Construction Cost Inflation (Oxen Cove and Tech Park)	15	Oxen Cove and Tech Park have project and client risk allowances and general contingencies to provide for any increase in construction costs beyond OBC estimates	8	12
Construction Cost Inflation (The Strand)	20	Negotiation to Guaranteed Maximum Price Contract at FBC2	5	10
Generating assumed level of income necessary to service borrowing costs at Programme Level	20	The projects will be delivered sequentially and will secure tenants through leases in 2027. Stabilised Income from Tech Park and Oxen Cove will be achieved before FBC 2 for the Strand. Income projections in Business Cases included in the Appendices have been produced by an independent RICS Suryevor.	8	10

8.5 Contributions to tackling climate change or achieving carbon neutrality:

All projects are being designed to comply and where possible exceed Building Regulations standards for energy consumption and thermal performance. The Strand and Oxen Cove both have Photovoltaic arrays included in their designs.

8.6 Social Value Considerations:

In addition to aligning with Torbay Council's standard requirements for Social Value the Regeneration Partnership has additional commitments and has delivered the following outputs and outcomes as part of our commitment to Social Value.

In the Commercial Case of each projects' Business Case contained Appendices x to x there are proposals for scheme specific social value outputs.

8.7 Procurement Implications:

Each business case attached at Appendices 1, 5 & 6 has a commentary and proposals for compliance with procurement as set out in the Commercial Case of the Business Case

9. Equalities Impact Assessment:

Each Business Case contains a scheme specific EIA which will be finalised when the FBC are presented to Capital Growth Board for sign off and Cabinet/Council for final funding decisions.

10. Cumulative Council Impact:

There is no specific direct cumulative impact on Council Services from the proposals contained in this decision paper.

11. Cumulative Community Impact:

The proposals are intended to make a positive impact on the local community and local economy as set out in the Economics Benefit in Section 4.

12. Monitoring and Evaluation:

The delivery of the overall programme of regeneration in terms of how it delivers the Councils corporate plane is monitored by the Councils' performance management system and reported quarterly to Cabinet and Council. The delivery of the individual schemes is managed and monitored by the Capital Growth Board with oversight from the Capital Projects Working Group. The desired regeneration effects will manifest themselves incrementally overtime as the scheme become occupied, create employment, economic agglomeration and create civic pride and local ownership.

Appendices:

Appendix 1 – Redevelopment of the Strand Draft Final Business Case

Appendix 2 – (Exempt Appendix) Draft Development Contract

Appendix 3 - Letter of Intent from potential Hotel Investor/Operator

Appendix 4 - (Exempt Appendix) Regeneration Programme – Indicative Financial Appraisal

Appendix 5 – Oxen Cove Outline Business Case

Appendix 6 – Tech Park Outline Business Case

Appendix 7 – Regeneration Programme - Economic Impact Analysis

Background Documents:

Officer Contact Details:

Name: David Carter

Title: Director of Regeneration and Place Delivery

Email address: David.Carter@torbay.gov.uk

TORBAY COUNCIL

Strand

Full Business Case (FBC) – Draft



Version Control and Approvals:

Version 0.0	Name	Date
Prepared by:	Jon Munce & Martin Tresidder	10/11/2026
Reviewed by:	Operational Review Board:	
	Finance sign-off:	
	Procurement sign-off:	
Approved by:	Capital Growth Board	

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1 Introduction

1.1 Purpose of this report

This reports outlines the Full Business Case for the Strand and seeks the following approvals:

- Approval of for the spend of [£62m] to enter a contract with Willmott Dixon Construction to facilitate delivery of the Strand scheme. This contract will be pursuant to an overarching Development Agreement with Willmott Dixon Developments.
- Seek approval for [£80.6m] to facilitate delivery of the scheme to completion.

1.2 Changes since OBC

There have been no substantial changes since OBC

1.3 Project Summary

Executive Summary				
Project Name	The Strand			
Torbay Council Directorate	Pride in place			
Torbay Council Service	Regeneration			
Project Manager	David Carter (Project Executive)			
Location of project	Torquay Harbour			
Delivery timeframe	Start Date:	Q4 2027	End Date:	Q2 2030
Summary of the need for the project				
The Council acquired the Debenhams buildings in May 2020 and the buildings have been unoccupied since May 2021. Currently the wider site is semi-derelict and in a very poor visual state and detracts from the harbour area of Torquay.				
Detail of project scope				
Construction of a full-service 5 star hotel with 133 keys, Spa, Restaurant and Roof top bar and construction of up to 3 new cafe/restaurants. Refer to Appendix D for the latest design drawings and images.				

Project objectives
Reduction to the oversupply of poor-quality retail space in Torquay. Improved hospitality offers to the harbour area of Torquay.

Financial summary			
Current Approved budget:	£11.81m	Next Phase Budget requested (for delivery)	£68.79m
Spend to Date:	£6.076m (inc land assembly)	Full project anticipated budget	£80.6m (to PC+2Yrs)

Key risks to delivery

Risk description	Initial risk score	Mitigation	Residual risk score
Construction Inflation	16	A robust Risk Contingency for inflation based on industry projections has been included in the development budget	12
Hotel Agreement: Achieving Acceptable Terms and Conditions.	12	Following a comprehensive operator selection process there is ongoing dialogue and negotiation with a preferred Operator.	8
Regeneration Lease: Achieving acceptable Terms and Conditions.	12	Engagement and dialogue is ongoing with a several Institutional Investors with a view to achieving best market terms.	8

Table 1 – Project Summary

2 Strategic Case

2.1 The case for change

2.1.1 Strategic need

Torquay has more than 70,000 sqm of town centre retail floorspace. This is greater than any coastal town in the region, and between 2013 and 2019 the town had an average retail vacancy rate of 18%. There is an oversupply of retail space in the town and there is a need to bring other forms of development into the town centre.

The Torquay economy relies heavily on the tourism industry, with the harbourside being one of the key attractions in the town centre. It is important that this area is seen as an attractive location and the presence of a large vacant retail space with significant road frontage is detrimental.

In response to these factors, this project will deliver the redevelopment of the currently vacant former Debenhams store and other adjacent properties on the Strand, with the provision of a full-service 5 Star Hotel & Spa offer with supplementary ground floor F&B units.

This will help to improve the quality of the environment, complementing the investment in the Harbour Public Realm and leading to greater vitality and footfall in the harbour area.

2.1.2 Corporate and Community Plan alignment

Outcomes (corporate spending objectives)	How the project supports the outcome
Community and People	
▪ People feel they belong to their local area	▪ Provision of an enhanced built environment will add to civic pride and feelings of attachment to Torquay
Pride in Place	
▪ Enhanced high streets that attract long-term tenants and an increased number of visitors ▪ Increased customer satisfaction with our parks, green spaces and streets ▪ Younger, skilled people are attracted and retained to live and/or work in Torbay	▪ A much improved built environment in the harbour area and a the provision a 5 star hotel (visitors) and up to 3 new restaurants (tenants). ▪ Provision of high quality public realm and a new pedestrian link between Strand and The Terrace. ▪ The Hotel and Restaurants will provide a broad range of employment opportunities for younger skilled people.

Economic Growth	
▪ Established pathways for young people, including those with special educational needs and/or disabilities (SEND), and unemployed to employment opportunities with skills levels moving toward national averages ▪ The number of businesses and jobs in Torbay increases.	▪ The Hotel will potentially provide employment opportunities for young people with special educational needs and/or disabilities (SEND). ▪ The number of businesses and jobs in Torbay will increase due to the new Hotel and Restaurants.

Table 2 – Corporate & Community Plan Alignment

2.1.3 Other relevant strategies

The project compliments the Torquay Town Centre Masterplan (June 2015) by seeking to provide additional employment, boosting tourism and leisure through the reduction of redundant retail space.

A particular focus is placed upon improving the leisure experience in the harbour area.

2.1.4 Existing arrangements

The majority of the proposed site is derelict and unoccupied apart from 1 unit which currently trades as Taco Bell.

Land Assembly Status is as follows:

- Former Debenhams Store– Purchased
- Former Janes Store – Purchased
- 55-59 The Terrace – Purchased
- 7/7a The Strand – Purchased
- 8 The Strand – Not Purchased (likely to require CPO)
- 9 The Strand – Not Purchased (likely to require CPO)

2.1.5 Current and future business needs

The project will deliver the redevelopment of the currently vacant former Debenhams store and other adjacent properties on the Strand, with the provision of a full-service 5 Star Hotel & Spa offer with supplementary ground floor F&B units.

Following an extensive market engagement process a preferred Hotel Operator/Partner has been identified and negotiations are ongoing on commercial terms and conditions.

This will help to improve the quality of the environment, complementing the planned investment in the Harbour Public Realm and leading to greater vitality and footfall in the harbour area.

2.2 Theory of change

2.2.1 Deliverables

- 133 key full-service 5 Star hotel with restaurant, spa and roof-top bar.
- Up to 3 restaurant/cafe units at ground level.
- Enhanced public realm to the harbourside area
- Provision of a new high quality pedestrian link from The Strand to The Terrace

Refer to Appendix D for current design drawings and images

2.2.2 Project objectives

- Condense the retail offer in Torquay and diversify the and use on the site.
- Improve the hospitality and leisure offer in the harbourside area of Torquay.
- Regenerate and improve a key area in Torquay as a catalyst for wider investment.

2.2.3 Logic map

Context (business needs as per 2.1.5)	Deliverables (As per 2.2.1)	Project Objectives (As per2.2.2)	Strategic Outcomes (As per 2.1.2)
Improve the quality of the environment, complementing the planned investment in the Harbour Public Realm and leading to greater vitality and footfall in the harbour area.	133 key full-service 5 Star hotel with restaurant, spa and roof-top bar. Up to 3 restaurant/cafe units at ground level.	Condense the retail offer in Torquay and diversify the and use on the site. Improve the hospitality and leisure offer in the harbourside area of Torquay.	▪ People feel they belong to their local area ▪ Enhanced high streets that attract long-term tenants and an increased number of visitors ▪ Younger, skilled people are attracted and retained to live and/or work in Torbay ▪ Increased customer satisfaction with our parks, green spaces and streets ▪ Established pathways for young people, including those with special educational needs and/or disabilities (SEND), and unemployed to employment opportunities with skills levels moving toward national averages ▪ The number of businesses and jobs in Torbay increases

Table 3 – Logic Map

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2.3 Benefits

Benefit theme	Benefit	Measure
Economic	▪ Increased footfall ▪ Increased dwell time ▪ Increased visitor numbers ▪ Increased GVA	▪ Carry out marketing survey to assess footfall, dwell time and visitor numbers
Environmental	▪ Improved quality of environment in the harbour area	▪ User feedback surveys within the town centre
Social	▪ improved sense of place and quality of environment	▪ User feedback surveys within the town centre

Table 4 – Benefits

2.4 Constraints and dependencies

2.4.1 Constraints and considerations

Flood risk: The site is a flood risk area and requires flood mitigation features in the design

Topography: The site has very large level changes (circa 20m) between the Strand and The Terrace

Listed Buildings: No 8 The Strand is a Listed Building and must be substantially retained and integrated into the design of the scheme.

2.4.2 Legal considerations

Land Assembly:

Nos 8 & 9 The Strand are within the development site but are not owned by the Council. These properties are to be acquired by CPO (the preparation of the CPO is currently underway).

Acquisition of other property rights (Rights to Light and Oversailing) may also be required to be acquired via CPO

2.4.3 Dependencies

Final Land Assembly of the development site (via CPO)

Agreement with a Hotel Partner/Operator to run the Hotel

Agreement with an Institutional Funder to enter into a Regeneration Lease

3 Economic Case

3.1 Development of preferred option

Following a major significant market engagement exercise with Hotel Operator and Brands the scheme is to be developed as a higher-end hotel offer (133 key, 5 star with Spa facilities). This will require additional capital cost but will produce a higher level of revenue. The planning consent has been obtained for a 144 Key (without Spa) configuration, and the intention is to apply for an amendment to the consent to reflect the evolving proposals.

3.1.1 Scope of preferred option

133 key full-service 5 Star hotel with restaurant, spa and roof-top bar and up to 3 restaurant/cafe units at ground level and a new public pedestrian link between The Strand and The Terrace.

Refer to Appendix D for current design drawings and images

3.2 Cost Benefit Analysis

3.2.1 Overview of cost benefit analysis

An initial Economic Impact Assessment was carried out on the scheme at SOC stage by Hardisty Jones. This has been updated and a summary of the results is set out below:

1 Summary Results

Impact	£, present values[1] and market prices over appraisal period	
Benefits		
Construction wages	£24,794,243	
Café and restaurant wages	£7,962,359	
Hotel wages	£62,774,068	
Wage impacts of visitor spend	£8,604,657	
Private sector costs	£50,639,356	
Private sector revenues	£-	
Present Value of Benefits (PVB)	£53,495,972	
Costs		
Grant funding	£11,168,000	
Present Value of Costs (PVC)	£11,168,000	
Net Present Value (PVB – PVC)	£42,327,972	
Benefit Cost Ratio (PVB/PVC)	4.79	

The proposed development is also anticipated to generated other non-quantified benefits in Torbay and Torquay, including:

- Supporting the strategic objectives of promoting vitality and diversity in Torquay town centre.
- Repositioning and improving Torquay's image, attracting further visitors, and stimulating further investment in regeneration projects. This may generate further land value uplift in the wider area.
- Further opportunities for skills and training, particularly in the construction workforce.

[1] This table sets out the present value of net additional impacts.

The land value uplift has not been calculated as part of this assessment. If calculated, this could lead to a higher value-for-money estimate.

Distributional impacts

This assessment has not quantified the distributional impacts of the proposed development. However, it is anticipated that a proportion of the jobs supported will be entry-level roles accessible to individuals with lower or no formal qualifications. There may also be apprenticeship opportunities for young people, and likely to be training and career development opportunities in both the construction and operation of the hotel and café/restaurant. As a result, the proposed development may provide employment opportunities for those with less qualifications and/or experience, including young people and those from lower socio-economic groups.

Value for Money

The present value of costs is £11.2 million and the present value of benefits is estimated at £53.5 million, resulting in a benefit to cost ratio of 4.79 and a net present value of £42.3 million

The benefit to cost ratio considered alongside the distributional impacts and non-quantified benefits indicates that the Strand project is likely to deliver very high value for money.

3.3 Climate Impact Assessment

Overview:

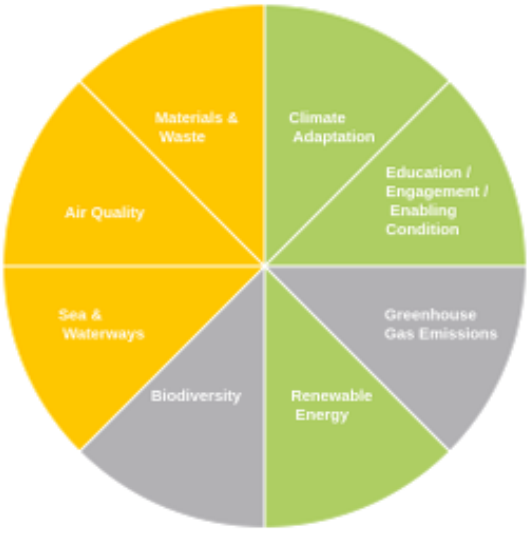
Generally, the scheme presents a minor short term negative impact during construction however this is being managed as effectively as possible. Long term, the scheme will be replacing several old commercial units which operate fossil fuel based heating systems. The new scheme will use 100% renewable sources of energy including air source heat pumps and green energy generation through solar PV. The main opportunity for improvement will come through negotiation around green initiatives with the contractor and delivery of social value KPISs tailored to such.

Overall Mitigation Budget (£):

The following infographics provide an overview of the climate impact areas assessed for the Strand - OBC, covering Greenhouse Gas Emissions, Climate Adaptation, Education/Engagement/Enabling Conditions, Materials & Waste, Air Quality, Sea & Waterways, Biodiversity and Renewable Energy.

Together, they illustrate the full range of environmental considerations integrated into the project's assessment. This visual summary supports clear comparison across impact themes and informs strategic decision-making throughout the project's development.:





4 Financial Case

4.1 Introduction

Total Development Cost (TDC) for the scheme is projected at:

- £74.675m (excluding interest/finance costs)
- £80.577m (including interest/finance costs to PC+2 years)

The TDC is proposed to be financed by a combination of funding streams and financial instruments:

- Capital Grant Funding
- Equity Contribution from the Hotel Brand/Operator
- Regeneration Lease Premium from an Institutional Investor (50 year lease)
- Council PWLB borrowing (50 year loan)

The net revenue generated from the completed asset will be used by the Council to service the:

- Regeneration Lease
- PWLB Borrowing

The Hotel Brand will become a shareholder in the operational SPV for the scheme (with the corresponding share of net revenue) in return for its equity contribution.

The Legal/Funding/Operational Structure is shown diagrammatically in Appendix F

4.2 Spend to date

The Total cost to-date for the project is: £6.076m (Oct 26)

This has delivered the following:

- Assembly of the site (apart from No 8 and 9 The Strand)
- Planning Consent for a 144 Key (without Spa) scheme.
- Marketing and selection of the proposed hotel brand/operator
- Substantial engagement with institutional funders

4.3 Capital costs

4.3.1 Approach to cost estimate

Future development costs have been calculated on the following basis:

Acquisition: based on Property Cost Estimate (PCE) from the CPO specialist (Avison Young)
Planning Cost: based on advice from the Planning Consultant (Turleys)
Construction Cost: based on cost plan from Cost Consultant (Coreus)
Fee Cost: estimates based on fee quotations or industry fee benchmarking

4.3.2 Cost estimate

Table 5 shows an estimate of the total capital cost to deliver the scheme.

- Unshaded items are unspent
- Lighter shaded items are partially expended
- Darked shaded items are fully expended

Cost description	% of main contract	Value (£)	Comments
Acquisition	N/A	£6,516,979	Land Assembly & CPO
Concept design	0.05%	£27,850	RIBA Stage 2 (Concept)
Detailed design	0.65%	£351,235	RIBA Stage 2/3 Including Planning
Planning	1.6%	£905,397	Planning Consent (inc costs from previous TDA scheme)
Technical design	2.3%	£1,250,000	Procurement RIBA Stage 3/4/5 (Technical Design) / FBC
DM & PM	4.6%	£2,488,209	
Professional Fees	1.2%	£678,000	Cost Consultant, Contract Administrator, other misc. consultants
Main Contract		£54,247,072	Main Building Contract including inflation.
Other Construction	0.8%	£430,000	Site Investigation, Surveys etc.

Design Development Risk	12.3%	£2,981,402	Risk allowance calculated from the Risk Register
Construction Risk		£3,726,752	Allowance to cover the remaining 15% uplift for uncertainty
Marketing & Letting	N/A	£292,493	Marketing and PR Fees and materials. Leasing and Leasing legal fees
Disposal/Funding	N/A	£496,211	Agency and legal fees
Capital Incentives	N/A	£285,033	Tenants incentives
Finance Costs	N/A	£5,901,094	PWLB Interest and Regen Lease Rental (to PC+2Yrs)
Total		**£80,577,727**	

Table 5 – Capital Costs

4.3.3 Spend profile

Table 6 shows the anticipated spend profile for the capital costs (excluding interest)

£	Spend to date	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Costs	£6.076m	£1.772m	£16.045m	£24.440m	£24.646	£1,696	£74.675m

Table 6 – Spend Profile

4.3.4 Funding

Table 11 shows the funding sources that are anticipated to be used to deliver the project.

Funding stream	Amount	Budget holder	Spent/committed	Remaining
LRF	£11,186,000	DC	£6,076,000	£5,110,000
Hotel Equity	£4,000,000	N/A	£0	£4,000,000
Regen Lease Premium	£45,242,255	N/A	£0	£45,242,255

Interim Income (to PC+2Yrs)	£5,172,137	N/A	£0	£5,172,137
PWLB (@PC+2Yr)	£14,977,335	N/A	£0	£16,005,595
Total	**£80,577,727**		**£6,076,000**	**£74,501,727**

Table 7 – Funding Sources

Refer to Appendix F for Funding Structure explanation

4.4 Ongoing costs

The operational costs, revenue generation and debt service are embedded in the overall financial model for the scheme.

Refer to Appendix F: Legal/Operational/Funding Structure
Refer to Appendix G: Development Appraisal

4.5 Tax considerations

No tax considerations known

4.6 Affordability Risks

Key Affordability Risks:

Acquisition Cost: The outturn acquisition cost will likely be subject to a CPO process (unless private treaties can be negotiated before the CPO enquiry). A specialist CPO team (surveyors and lawyers) has been engaged to manage the process.

Construction Cost: The design of the scheme is currently at RIBA 2 (Planning) stage and will require significant further development (via a PCSA process to crystallise a firm construction cost). Robust risk allowances have been included in the current cost plan and appraisal to manage this risk.

Regeneration Lease Yields: These will be subject to Gilt rates at the time of the placing of the regen lease and therefore are subject to geopolitical influences. Engagement with multiple Financial Institutions is ongoing to best manage and understand the impact of market volatility.

Hotel Operator Equity Quantum: This will be subject to agreement with the potential Hotel Operator. Engagement with the preferred operator is ongoing.

PWLB Interest Rates: These rates are set by the DMO and are largely subject to the current Gilt rates.

4.7 Financial Summary

	Spend to date	Forecast to complete	Risk Budget	Contingency	Total Budget
Total Scheme	£6.076m	£67.793m	£2.981m	£76.850m	£3.727m

Table 8 – Financial Summary

5 Commercial Case

5.1 Introduction

The procurement officer for this project is Chanelle Busby.

All activity on the scheme to date has been procured from Willmott Dixon Construction (WDC) via the Pagabo Developer-Led Framework under a Pre-Development Agreement (PDA). The Framework (Oct 23) allows all project to progress to completion for the 10 year duration of the Agreement.

5.2 Output based specification

The PDA and the DA (see above) will cover the entire scope of the project.

5.3 Delivery approach

The PDA will continue to be used to as the procurement mechanism for on-going pre-construction activity in the short term.

The PDA will be novated from WDC to Willmott Dixon Developments (WDD) and then the PDA will be replaced by a conditional Development Agreement (DA) pursuant to the Pagabo Developer-Led Framework which will facilitate the completion of the pre-construction activity and the construction delivery of the scheme.

All suppliers (including building contractors) will be appointed directly by WDC (WDD post novation of the PDA) pursuant to the PDA or DA.

WDD will appoint WDC under a PCSA (Pre-Construction Services Agreement) to carry out pre-construction activity.

Subject to discharge of cost and viability conditions within the DA, WDD will appoint WDC as the main contractor for the construction of the scheme.

5.4 Contractual arrangements

All development activity will be contracted via the existing Pre Development Agreement and subsequently the conditional Development Agreement both of which are based on pro-forma Pagabo Framework documents [pro-forma documents can be provided if required]

The form of building contract will be an NEC form and will include appropriate Collateral Warranty protection to the Council.

Monthly payments of development costs (as they are expended) plus agreed DM/PM fees are due from the Council under these contracts.

5.5 Contract management

All development activity will be managed (both DM & PM) by WDC in conjunction with Milligan (WDM) pursuant to the management services and protocols included in the PDA and DA.

Torbay Council will maintain an oversight role (see Management Case)

5.6 Social value

On the formation of the Regeneration Partnership a Legacy Board was formed to create a structure of how social value and legacy would be shaped and delivered. The group separated these elements into three distinct areas to allow control of the outputs.

- Placemaking – Shaping places and ensuring the built form we bring forward is suitable for current and future generations.
- Social Value – Ensuring our works and actions maximise the positive impact to our communities.
- Legacy – Ensuring all decisions are made with shaping the future prosperity of the Bay.

Below is a summary of the KPIs that have been put in place with WDM and Lucy Lewis of TC.

TC SV Theme	Sub-theme	Outcome	Output / Metrics
Community & People	*Community Cohesion & Safety*	*Community Safety & Crime Prevention*	*Raising awareness of domestic abuse and crime prevention*
			Community safety awareness sessions
		Inclusive Engagement	*Co-designed local projects or events*
		Community Initiative support	*Donations/support for community initiatives*
			Volunteering hours supporting community projects
	Employment, Inclusion & Skills	*Access to employment opportunities*	*Job starts for priority groups*
			Local residents hired
		Skills, Training & Qualifications	*Apprenticeship and T Level placement weeks*
			Training leading to recognised qualifications

			Digital inclusion and essential skills training
		Careers Education, Information, Advice & Guidance (CEIAG)	*Careers IAG hours in schools and colleges* *Careers talks, curriculum support and school outreach* *Mock interviews, CV support and mentoring*
		Inclusion for Under-represented and Priority Groups	*Employment and training for under-represented groups*
		In-Work Support, Retention & Progression	*Coaching support through the first weeks of work* *In work coaching for new starters* *In work progression support*
	Health & Wellbeing	*Health & Wellbeing*	*Health and wellbeing interventions* *Wellbeing support for employees*
	Inclusion, Equalities & Vulnerable Groups	*Improved Equality, Diversity & Inclusion Awareness*	*Equality, Diversity and Inclusion (EDI) training hours*
		Fair & Inclusive Recruitment Practices	*Inclusive recruitment practices* *Recruitment into fair working conditions*
		Increased Access & Inclusion for Vulnerable and Under-represented Groups	*Programmes improving digital skills access* *Removing workplace barriers for under-represented groups*
Pride in Place	*Heritage & Culture*	*Heritage & Culture*	*Volunteer hours at heritage sites*
Economic Development	*Inclusive Growth & Tackling Inequality*	*Improved Representation of Priority Groups*	*Actions to improve representation of priority groups*
		Increased Workplace Flexibility & Accessibility	*Flexible working availability*
		Transparent and Fair Pay	*Pay gap reporting*
	Responsible Procurement & Local Business Growth	*Supporting Local Business Capacity & Growth*	*Business mentoring hours for SMEs* *Spend with SMEs and local suppliers* *Spend with VCSEs*
		Supply Chain Opportunities	*Open advertising of subcontract packages* *Supply chain development actions*

	Skills Pipeline & Future Workforce	*Access to Skills and Learning*	*Digital inclusion hubs in libraries/community centres* *ESOL, numeracy and digital capability training* *Residents gaining accredited qualifications*
		Pathways to employment and careers	*Industry placements building future workforce* *Training hours in high-growth sectors*
		Priority group participation	*Outreach to under-represented groups*
Environment and Climate Change	*Active & Sustainable Travel*	*Active & Sustainable Travel*	*Car miles saved* *Low/no-emission miles driven*
	Biodiversity & Natural Environment	*Biodiversity & Natural Environment*	*Conservation volunteering hours* *Habitat creation and biodiversity improvements*
	Environmental Protection & Climate Action	*Improved natural environment*	*Biodiversity improvements and habitat creation*
		Reduced carbon emissions and Net Zero	*CO_2e savings from decarbonisation* *Commitment to Net Zero* *Green transport miles (miles/low-emission miles)* *Low carbon training hours*
		Reduced Waste & Increased Recycling	*Hard-to-recycle waste diverted* *Plastic recycling / single-use plastics eliminated* *Waste diverted from landfill*
		Reduced resource use	*Reducing water consumption*
	Public Realm & Built Environment	*Public Realm & Built Environment*	*Environmental volunteering (litter picks, conservation)*
	Innovation & Future Economy	*Innovation & Future Economy*	*Innovation pilots (low-carbon construction, circular economy)* *Smart building site pilots (sensors, monitoring)*
	Housing Quality, Sustainability & Prevention	*Housing Quality, Sustainability & Prevention*	*Pilot retrofit apprenticeships*

6 Management Case

6.1 Governance arrangements

6.1.1 Governance structure

The governance structure for the project follows the standard Capital Programme approach. This is set out in Figure 1.

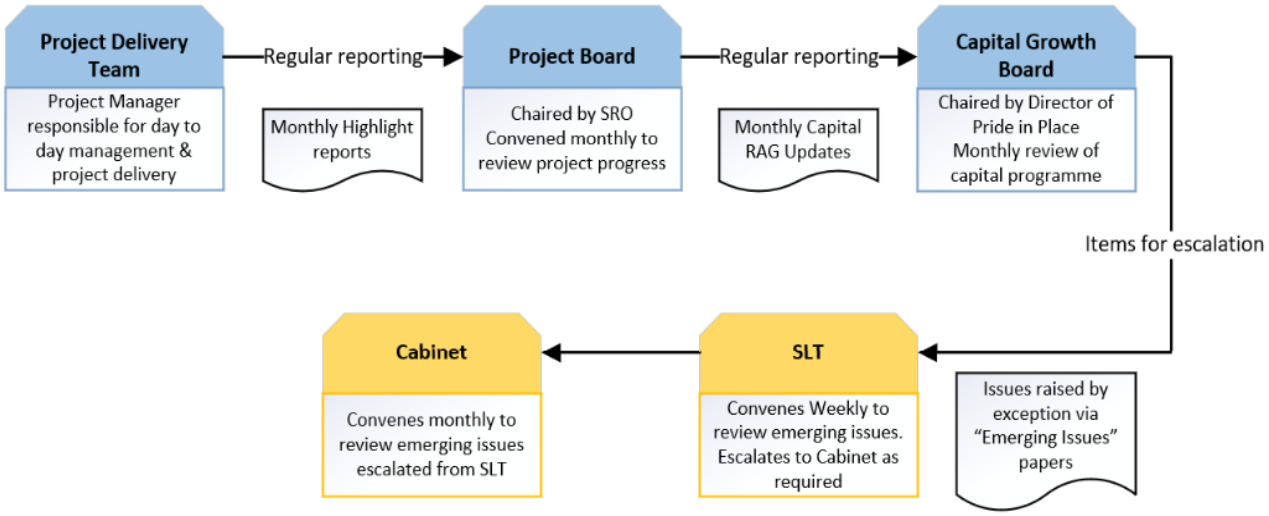


Figure 1 – Capital Programme Governance

6.1.2 Project Board

The Project Board are responsible for ensuring the delivery of the project and managing or escalating any risks or issues to this delivery. The Project Board meet monthly and review the Monthly Highlight Report provided by the Project lead.

Name	Title	Project role
David Carter	Director of Regeneration	Project Executive
Chris Bartlett	Head of Project & Development Management	Senior Supplier
Martin Tresidder	Development Director (Milligan)	Development Manager & Project Lead
Jon Munce	Head of Development (Milligan)	Development Manager

Name	Title	Project role
Mike Anderson	Chief Investment Officer (Milligan)	Funding Lead
Sophie Young	Project Manager (Milligan)	Project Manager
Jim Blackwell	Service Manager, Development Management	Planning Officer (as required)
Emma Falconer	Comms & Engagement Officer	Communications

Table 9 – Project Board

6.1.3 Project monitoring and reporting

Project monitoring and reporting is facilitated by the generation of monthly Highlight Reports. These are produced by the Project lead with the support of other key stakeholders and are shared with the Project Board for review in advance of the monthly meeting.

A monthly Regeneration Operation Board will sit above the Project Board.

Quarterly Regeneration Partnership Boards will sit above the Operations Board.

The Capital Growth Board (CGB) receive monthly RAG updates to feed into CGB meetings as a way of escalating any issues or concerns.

6.1.4 Approvals and exception reporting

In phase approvals, including the use of contingency, will be sought from the Project Board as part of the monthly review cycle.

Where there is a requirement for additional funding identified, this will be brought to the attention of the Chief Financial Officer and CGB in the first instance. It may then be decided to escalate further to the Senior Leadership Team (SLT) or Cabinet for a potential budget revision.

6.2 Key milestones

Table 16 shows the key milestones for the delivery of the project, with a more detailed project plan/schedule included in **Appendix A. Project Schedule.**

Key activity	Start date	End date	Comments
Outline Business Case approved	Oct 2026	Nov 2026	
Formal procurement commences			Complete (Pagabo)

Preferred supplier / contractor identified (Procurement concluded)			Complete (Pagabo)
Full Business Case approved	Aug 2027	Sept 2027	
Project Start on Site (Date)	Oct 2027		
Construction Period (wks)	130		
Project Finish on Site (Date)		April 2030	

Table 10 – Key Milestones

6.3 Resource requirements

Table 17 sets out the Torbay Council resource requirements to delivery of the project (this is specific resource requirements above general oversight).

Name	Title	Project role and responsibilities	Time requirement
Ed Brown	Project Manager	Land Assembly and CPO activity	Circa 1 day week until end 2027

Table 11 – Resource requirements

6.4 Benefits delivery

Table 18 details the key benefits the project will deliver, as well as how these will be measured.

	Condense Retail offer and improve footfall in key areas	Improve hospitality and retail offer
Benefit	Businesses flourish and the local economy is improved	People are attracted to the area and have a greater sense of pride
Measurement indicator	Footfall & Spend profiling	Customer satisfaction
Data source to be used	Huq footfall system	Customer satisfaction surveys
Frequency of data collection	Annual	Annual
Owner	TC Ec dev team	TC Comms & Engagement team
Comment		

Table 12 – Benefits Delivery

6.5 Risk management

6.6 Risk management

6.6.1 Risk management process

Risks are logged, reviewed and managed using the project Risk Register. The Project lead is the owner of the Risk Register and reviews this on a monthly basis in line with routine monitoring. The key risks are reported to the Project Board who may escalate any ‘major’ or ‘critical’ risks to SLT or Cabinet. A full list of the project risks, and their owners and mitigations, are included in **Appendix B. Risk Register**.

6.6.2 Risk cost

As part of routine risk management, the cost for mitigation actions or the costs of potential impacts are estimated and form a risk budget.

The current risk budgets estimated for the project are as follows:

- The budget for any risks which may materialise within the next phase of design is included within the phase budget.
- The full project risk budget (inclusive of the above in phase risk allowance) is: £ 6.708m

Where risks develop into issues, this will be communicated at project board level and upon approval of the board, the relevant risk budget will be released to deliver the mitigations or manage the impacts.

6.7 Communications and stakeholder engagement

6.7.1 Consultation/engagement to date

Extensive consultation and engagement has been undertaken to inform the redevelopment proposals for The Strand, Torquay. A formal public consultation was held between **4 July and 25 July 2025,** providing opportunities for residents, businesses, stakeholders and visitors to review the proposals and provide feedback.

Stakeholder Engagement Activities Undertaken

Public consultation

- Consultation portal hosted on Torbay Council's website engagement platform.
- Two public drop-in events held at Fleet Walk Shopping Centre on 15 and 22 July 2025.
- Paper and online questionnaires made available.

Business and community engagement

- Informal pre-consultation session held with local residents and businesses.
- Engagement at the Torbay Business Forum breakfast event, attended by over 120 local business representatives.
- Presentation and discussion at a Torbay Champions networking event attended by approximately 40 stakeholders.

Young people and education engagement

- Sessions with SEND learners at South Devon College.
- Engagement with Year 10 students from Churston Grammar School.
- Discussions with Year 5 pupils from Ellacombe C of E Primary School during a council-organised visit to the harbourside.

Communications and awareness raising

- Dedicated consultation webpage.
- Press release and extensive media coverage across local and regional media.

- Promotion through council newsletters and internal communication channels.
- Social media campaign across Facebook, LinkedIn and Nextdoor.
- CGI flythrough video published online and promoted through social channels.

Outcomes and Impact

The consultation generated a strong level of participation, receiving:

- **594** consultation responses in total.
- **464** online responses.
- **130** paper responses completed at the public events.

Overall feedback demonstrated broad support for the proposals, with respondents highlighting:

- Regeneration of the harbourside and wider town centre.
- Positive economic impacts and employment opportunities.
- The rooftop terrace and food and beverage offering.
- Improved connectivity through the proposed sweeping staircase.
- Support for showcasing local Devon businesses and products.

Key issues identified through consultation included:

- Requirement for heritage-sensitive design.
- Accessibility improvements, including lifts and step-free access.
- Parking provision and traffic impacts.
- Hotel viability and impact on existing businesses.
- Desire for local businesses, cultural uses and community facilities to be incorporated.

Feedback received through the consultation will continue to inform the development and refinement of the project proposals.

6.7.2 Communications plan

The project will adopt a proactive and transparent communications strategy throughout the development process, ensuring stakeholders remain informed and have opportunities to provide feedback at key milestones. In April 2026, an economic impact assessment was completed for The Strand and the outputs i.e. jobs and GVA created will be an important part of the messaging as we go forwards.

Scheme Development Phase

Objectives:

- Communicate project progress and key milestones i.e. hotel operator and commercial tenants.
- Share how consultation feedback has influenced the evolving proposals.

- Maintain stakeholder confidence and support.

Methods:

- Project webpages and online updates.
- Stakeholder newsletters.
- Social media communications.
- Briefings for councillors, local businesses and stakeholder groups.
- Public consultation events and exhibitions, where required.
- Press releases and media engagement.
- Presentations to key business and community forums.

Planning and Approvals Phase

Objectives:

- Clearly communicate planning proposals and decision-making processes.
- Address emerging questions and concerns.

Methods:

- Public exhibitions and engagement events.
- Planning consultation materials.
- Frequently Asked Questions (FAQ) updates.
- Targeted stakeholder briefings and events.
- Social media and website updates.

Construction Phase

Objectives:

- Minimise disruption and maintain positive stakeholder relationships.
- Keep residents, businesses and visitors informed about works.
- Support of the occupier engagement strategy.

Methods:

- Construction newsletters and updates.
- Dedicated project webpage.
- Social media updates.
- Regular business liaison meetings.
- Advance notification of road closures, access changes and key construction activities.
- Media briefings and milestone announcements.
- Community drop-in sessions where appropriate.

Completion and Opening Phase

Objectives:

- Promote economic, tourism and placemaking benefits.
- Celebrate project delivery and encourage public participation.

Methods:

- Launch events and media activity.
- Stakeholder and community events.
- Social media campaigns.
- Website content and case studies.
- Ongoing engagement with businesses and tourism organisations.

Torbay Council's Communications Team will work alongside the partnership comms team as one team, throughout significant public-facing activity to ensure consistent messaging, stakeholder management and media coordination. Appropriate communications and engagement budgets will be incorporated within overall project costs.

6.7.3 Stakeholder engagement

Table 19 shows the key stakeholders for the project, their areas of interest and proposed engagement methods.

Organisation/individual	Area of interest	Method of engagement
Local Residents	Design quality, heritage, accessibility, parking, community benefits	Public consultations, exhibitions, newsletters, website updates, social media
Local Businesses	Footfall, economic benefits, disruption, trading opportunities	Business forums, stakeholder meetings, newsletters, one-to-one engagement
Torbay Business Forum	Economic growth, investment, visitor economy	Presentations, networking events, stakeholder briefings
Torbay Champions Network	Place promotion, regeneration benefits, investment confidence	Briefings, presentations, networking events
Visitor & Tourists	Enhanced visitor experience and facilities	Engagement with the ER BID, Public consultation, website, social media communications

Young People & Educational Establishments	Future opportunities, placemaking, accessibility	Workshops, school and college engagement sessions
South Devon College	Skills, employment opportunities and local regeneration	Direct engagement sessions and educational workshops
Accessibility Groups and Representatives	Inclusive design and accessibility	Consultation events, targeted engagement, design reviews
Local Hospitality and Tourism Businesses	Impact on visitor economy and existing businesses, opportunities within The Strand	Stakeholder meetings, business engagement events, updates
Media Organisations	Project progress and public information	Press releases, media briefings and interviews
Development and Delivery Partners and other project partners	Scheme delivery, stakeholder support and project outcomes	Project governance meetings, communications planning and stakeholder engagement activities

Table 13 – Key Stakeholders

6.8 Equalities Impact Assessment

The Council has a public sector duty under the Equality Act 2010 to have 'due regard' to advancing equality of opportunity between those persons who share a relevant protected characteristic and persons who do not share it. The Act also seeks to eliminate discrimination, harassment and victimisation. It is important that you carefully and thoroughly consider the different potential impacts that the decision being taken may have on people who share protected characteristics.

An Equality Impact Assessment (EIA) has been carried out and can be found in **Appendix C. Equality Impact Assessment.**

An inclusive and accessible environment is an environment which everyone can use, to access and benefit from the full range of opportunities available; confidently, independently, with choice and dignity, which avoids separation or segregation and is made up of places and spaces that acknowledge diversity and difference, meeting the needs of everyone in society.

Additionally, an Equality Impact Assessment was commissioned from an external consultant (Equality Impact Consulting Ltd) by the Council pursuant to the impending CPO. This report is too

large to include in this document (it can be provided separately if required) but the Overall Conclusions from the document are shown below:

Overall conclusion

8.5 Overall, the direct impacts of the Order are limited. The Council has acquired all but three plots by agreement, and the remaining third-party interests comprise one vacant listed building, an electricity substation and one occupied commercial unit (Taco Bell), whose freeholder and tenant are in active negotiation with the Council. They are being offered relocation support and compensation aligned with the Compensation Code.

8.6 No homes will be acquired through compulsory purchase powers. A minor–moderate adverse effect is identified only for the two residential occupiers who will eventually relocate, reflecting the sensitivity of those households. This is being managed through security of tenure, ongoing engagement and tailored relocation support.

8.7 Construction-phase adverse effects are expected to be short-term and minor adverse for sensitive groups, and manageable through construction management plans and the communication and accessibility measures identified in this report.

8.8 The adverse equality effects of the Order and the Scheme are likely to be minor, manageable, and proportionate if the mitigation measures identified in this EqIA are implemented.

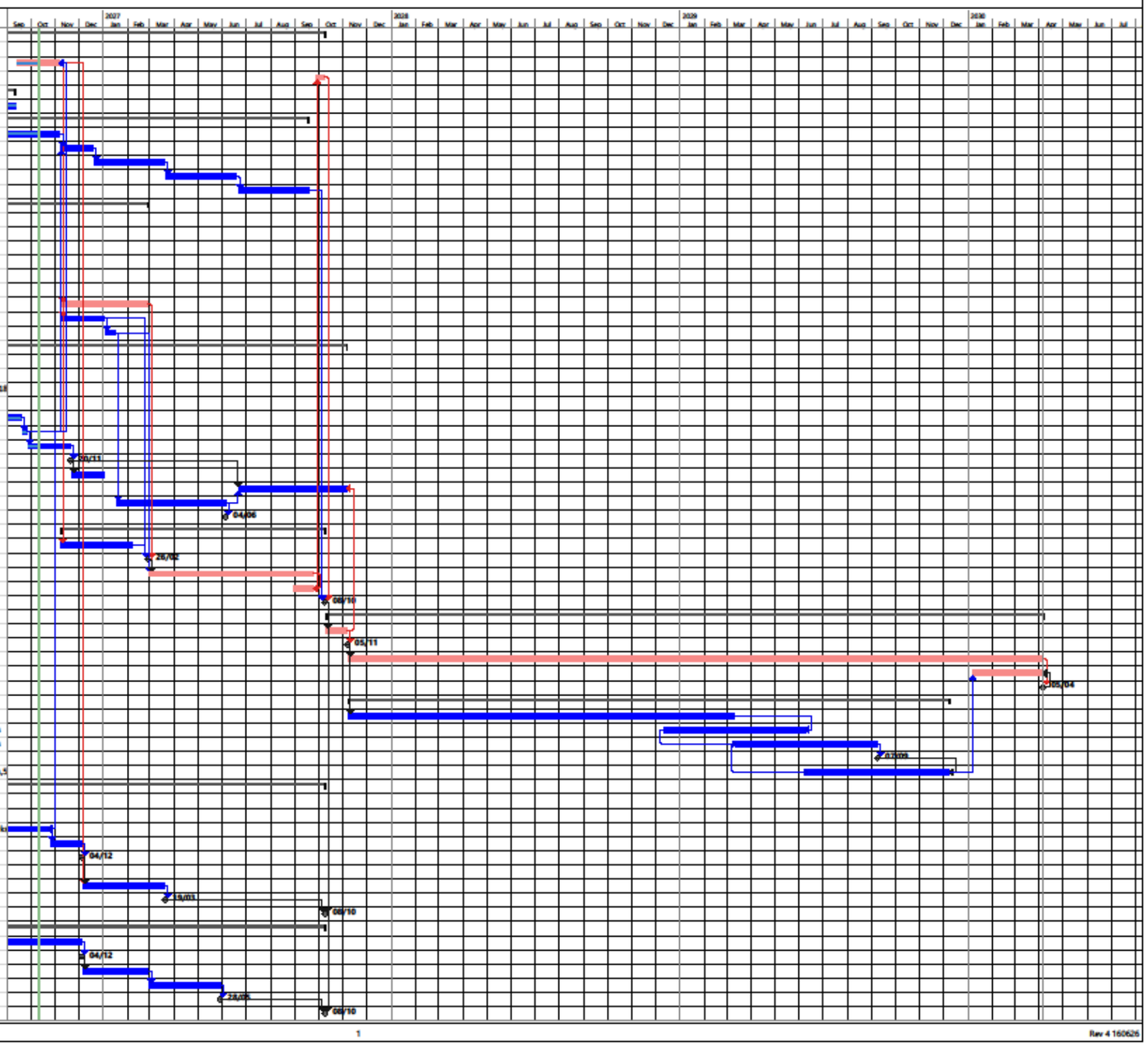
8.9 In the longer term, the Scheme has the potential to deliver significant positive outcomes for all groups, including a safer and more accessible public realm, improved connectivity, new commercial activity and removal of long-term vacancy and anti-social behaviour. These benefits should be maximised through inclusive design, ongoing engagement and delivery of social value commitments.

8.10 Continued engagement, accessible communication, inclusive design and management of construction impacts will be essential to ensuring that protected characteristic groups are not disproportionately affected and can share in the long-term benefits of the Scheme.

Appendix A. Project Schedule

The Strand, Torquay - Hotel — **OUTLINE DEVELOPMENT PROGRAMME** — **Outline Business Case (Nov 26)**

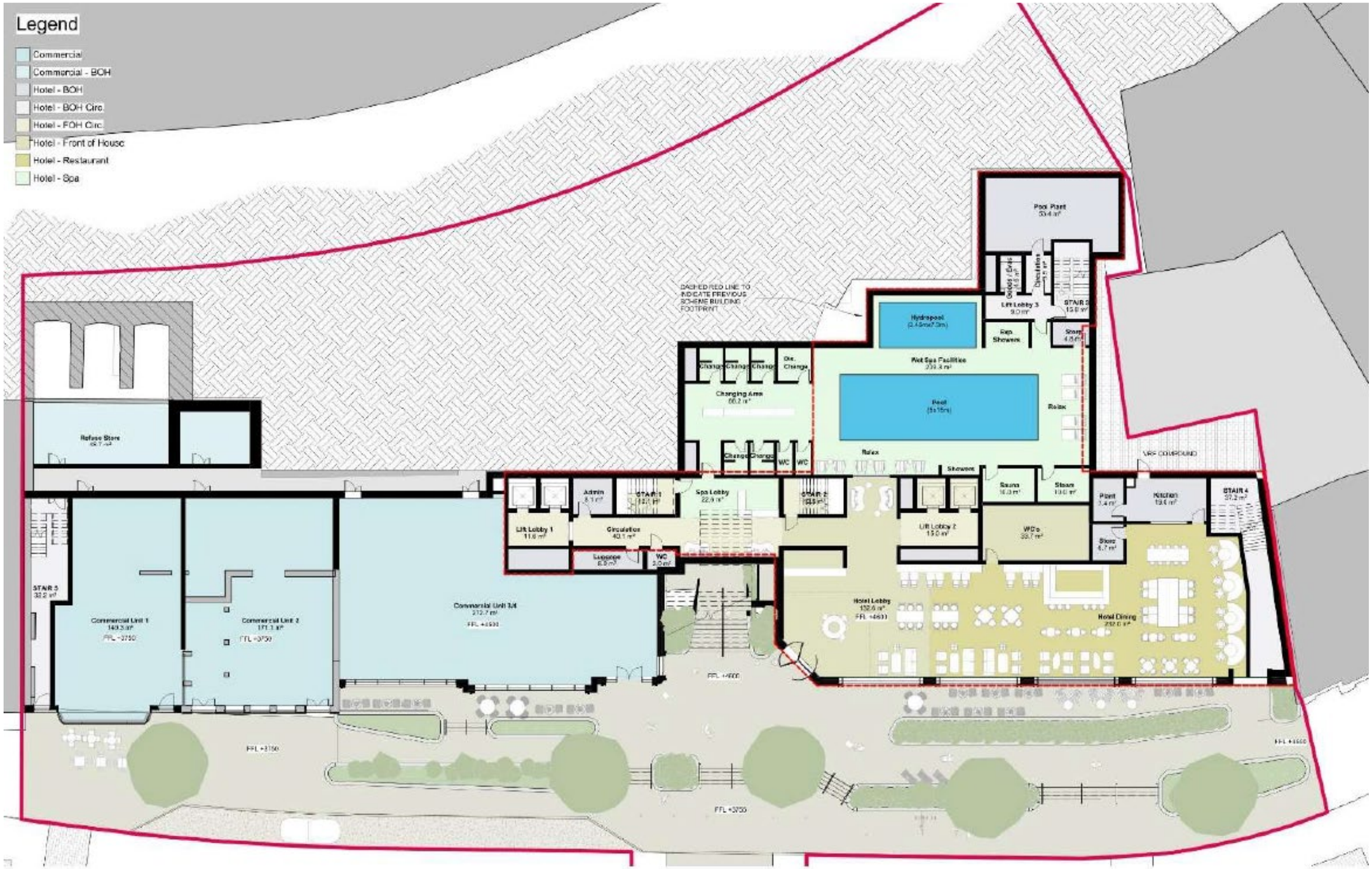
ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors
1		**Council Approvals**	**649 days**	**Tue 15/04/25**	**Fri 08/10/27**	
2		Strategic Outline Case (CGB)	4 days	Tue 15/04/25	Fri 18/04/25	17
3		Outline Business Case (CGB/Counc	8 wks	Mon 14/09/26	Fri 06/11/26	25FF+3 wks
4		Full Business Case (CGB)	2 wks	Mon 27/09/27	Fri 08/10/27	40
5		**Private Land Assembly**	**725 days**	**Mon 04/12/23**	**Fri 11/09/26**	
6		Negotiate FH Acquisitions	145 wks	Mon 04/12/23	Fri 11/09/26	
7		**CPO Process (Provisional)**	**630 days**	**Mon 21/04/25**	**Fri 17/09/27**	
8		Preparation	81 wks	Mon 21/04/25	Fri 06/11/26	
9		Service and Objection Period	6 wks	Mon 09/11/26	Fri 18/12/26	8,3,29
10		Public Enquiry Process	13 wks	Mon 21/12/26	Fri 19/03/27	9
11		Decision Process	13 wks	Mon 22/03/27	Fri 18/06/27	10
12		Vest Land (GVD) and Obtain VP	13 wks	Mon 21/06/27	Fri 17/09/27	11
13		**Design**	**845 days**	**Mon 04/12/23**	**Fri 26/02/27**	
14		Information Review	4 wks	Mon 04/12/23	Fri 29/12/23	
15		Viability Review & VE	9 wks	Mon 01/01/24	Fri 01/03/24	14
16		Viability/Business Case Report	9 wks	Mon 04/03/24	Fri 03/05/24	15
17		Revised Hospitality Feasibility	43 wks	Mon 06/05/24	Fri 28/02/25	16,55FF
18		Design to RIBA 2 (Concept)	13 wks	Mon 21/04/25	Fri 18/07/25	
19		Viability Check	4 wks	Mon 21/07/25	Fri 15/08/25	18
20		Surveys/SI	16 wks	Mon 09/11/26	Fri 26/02/27	3
21		Design to RIBA 2 (Update)	8 wks	Mon 09/11/26	Fri 01/01/27	3
22		Viability Check	2 wks	Mon 04/01/27	Fri 15/01/27	21
23		**Planning**	**645 days**	**Mon 19/05/25**	**Fri 05/11/27**	
24		Public Consultation	13 wks	Mon 19/05/25	Fri 15/08/25	18SS+4 wks
25		Planning Studies	20 wks	Mon 19/05/25	Fri 03/10/25	18SS+4 wks
26		Pre Application Consultation	39 wks	Mon 21/07/25	Fri 17/04/26	24FF+4 wks,18
27		Planning Application	0 days	Fri 17/04/26	Fri 17/04/26	26,19
28		Validation/Determination	22 wks	Mon 20/04/26	Fri 18/09/26	27
29		Planning Committee Approval	1 wk	Mon 21/09/26	Fri 25/09/26	28
30		Planning Agreements	8 wks	Mon 28/09/26	Fri 20/11/26	29
31		Final Consent Granted	0 days	Fri 20/11/26	Fri 20/11/26	30
32		Judicial Review Period	6 wks	Mon 23/11/26	Fri 01/01/27	31
33		Discharge Pre-Start Conditions	20 wks	Mon 21/06/27	Fri 05/11/27	43FF,31,34
34		Planning Variation	20 wks	Mon 18/01/27	Fri 04/06/27	22
35		Revised Consent	0 days	Fri 04/06/27	Fri 04/06/27	34
36		**Construction Procurement**	**240 days**	**Mon 09/11/26**	**Fri 08/10/27**	
37		Negotiate PCSA	13 wks	Mon 09/11/26	Fri 05/02/27	3
38		WDC Appointed	0 days	Fri 26/02/27	Fri 26/02/27	37,21,20
39		Stage 2 PCSA (inc RIBA 3/4)	30 wks	Mon 01/03/27	Fri 24/09/27	22,38,20
40		Tender Adjudication	4 wks	Mon 30/08/27	Fri 24/09/27	39FF
41		Building Contract Placed	0 days	Fri 08/10/27	Fri 08/10/27	4,12
42		**Construction**	**650 days**	**Mon 11/10/27**	**Fri 05/04/30**	
43		Mobilisation	4 wks	Mon 11/10/27	Fri 05/11/27	41
44		Start on Site	0 days	Fri 05/11/27	Fri 05/11/27	43
45		Construction Period	126 wks	Mon 08/11/27	Fri 05/04/30	44
46		Tenant Fit-Outs	13 wks	Mon 07/01/30	Fri 05/04/30	47FF,53
47		PC	0 days	Fri 05/04/30	Fri 05/04/30	45
48		**Leasing (GF Units)**	**545 days**	**Mon 08/11/27**	**Fri 07/12/29**	
49		Marketing	70 wks	Mon 08/11/27	Fri 09/03/29	44
50		Negotiate HoTs	26 wks	Mon 11/12/28	Fri 08/06/29	49FF+13 wks
51		Draft Agreements for Lease	26 wks	Mon 12/03/29	Fri 07/09/29	50SS+13 wks
52		AfLs Exchanged	0 wks	Fri 07/09/29	Fri 07/09/29	51
53		Fit-Out Design & Procurement	26 wks	Mon 11/06/29	Fri 07/12/29	51SS+13 wks,5
54		**Hotel Operator**	**1005 days**	**Mon 04/12/23**	**Fri 08/10/27**	
55		Market Anaylsis and Feasibility	40 wks	Mon 06/05/24	Fri 07/02/25	16
56		Operator Search	12 wks	Mon 21/04/25	Fri 11/07/25	55
57		Operator Selection	56 wks	Mon 25/08/25	Fri 23/10/26	56,29FF+4 wks
58		Negotiate HMA HoTs	6 wks	Mon 26/10/26	Fri 04/12/26	57
59		HMA HoTs Agreed	0 wks	Fri 04/12/26	Fri 04/12/26	58
60		Technical Design Input	60 wks	Mon 04/12/23	Fri 24/01/25	
61		HMA Drafting	15 wks	Mon 07/12/26	Fri 19/03/27	3,59
62		HMA Exchange	0 wks	Fri 19/03/27	Fri 19/03/27	61
63		HMA Unconditional	0 days	Fri 08/10/27	Fri 08/10/27	62,41
64		**Funding**	**555 days**	**Mon 25/08/25**	**Fri 08/10/27**	
65		Market Engagement	67 wks	Mon 25/08/25	Fri 04/12/26	57SS
66		Preferred Partner Selected	0 days	Fri 04/12/26	Fri 04/12/26	65
67		Finalise Regen Lease HoTs	12 wks	Mon 07/12/26	Fri 26/02/27	66
68		Regen Lease Drafting	13 wks	Mon 01/03/27	Fri 28/05/27	67
69		Regen Lease Exchange	0 days	Fri 28/05/27	Fri 28/05/27	68
70		Regen Lease Unconditional	0 days	Fri 08/10/27	Fri 08/10/27	69,41



Appendix B. Risk Register

Risk No.	Risk Description	Probability (1-5)	Impact (1-5)	Risk Score	Owner	Current Status/ Mitigation/ Contingency	Risk Budget	Status	Residual Probability	Residual Impact	Residual Risk Score
Rsk001	**Site Assembly:** Delay to and/or cost increase due to the CPO process required to assemble the remaining site.	3	4	12	WDM	Engagement with specialist CPO advisors. Consideration of purchases by private treaty if appropriate	£ Nil	Open	3	4	12
Rsk002	**Design Development:** Increased cost due to design development requirements for the Spa scheme beyond current RIBA 2 design stage	3	4	12	WDM	RIBA 2 design for Spa scheme underway. Further site investigations to start Q4 26. RIBA 3&4 to be developed under PCSA	£2.981m	Open	3	2	6
Rsk003	**Construction Inflation:** Inflation on construction cost due to market forces and geopolitical events.	4	4	16	WDM	Inflationary allowance based on current industry allowances are included in the budget.	£4.518m	Open	4	2	12
Rsk004	**Hotel Operator Agreement:** Delay to or agreement of lower than forecast terms to the Agreement.	3	4	12	WDM	Continuing engagement with the preferred Hotel Operator/Partner.	£ Nil	Open	2	4	8
Rsk005	**Hotel Equity Contribution:** Reduction in the quantum of equity contribution to the funding package leading to need for extra funding.	3	4	12	WDM	Continuing engagement with the preferred Hotel Operator/Partner.	£ Nil	Open	2	4	8
Rsk006	**Hotel EBITDA:** Lower than forecast EDITDA for the operational hotel leading to income to service debt.	3	4	12	WDM	Continued engagement with the preferred Hotel Operator on the operational model and revenue projections.	£ Nil	Open	3	4	12
Rsk007	**F&B Rents:** Lower than forecast rents and/or higher incentive. packages from occupiers leading to reduced income to service debt.	3	3	9	WDM	Monitoring of F&B market conditions. Early engagement with F&B operators.	£ Nil	Open	3	3	9
Rsk008	**Regen Lease Indexation:** Higher than forecast CPI figures leading to higher Regen Lease rental.	4	2	8	WDM	Monitoring of CPI projections Potentially off set by corresponding inflation on income.	£ Nil	Open	4	2	8
Rsk009	**Regen Lease Yield:** Higher than forecast Yield metric leading to less capital premium.	4	3	12	WDM	Continued engagement with Institutional investors to understand market volatility. Will require additional PWLB borrowing.	£ Nil	Open	4	2	8
Rsk010	**PWLB Interest rates:** Higher than forecast interest rates leading to higher debt service costs.	3	3	9	WDM TC	Monitoring of DMA projected interest rates. TC corporate debt management	£ Nil	Open	3	3	9

Appendix D. Design Pack



22100 Ground Floor - Spa Option



22101 First Floor - Spa Option



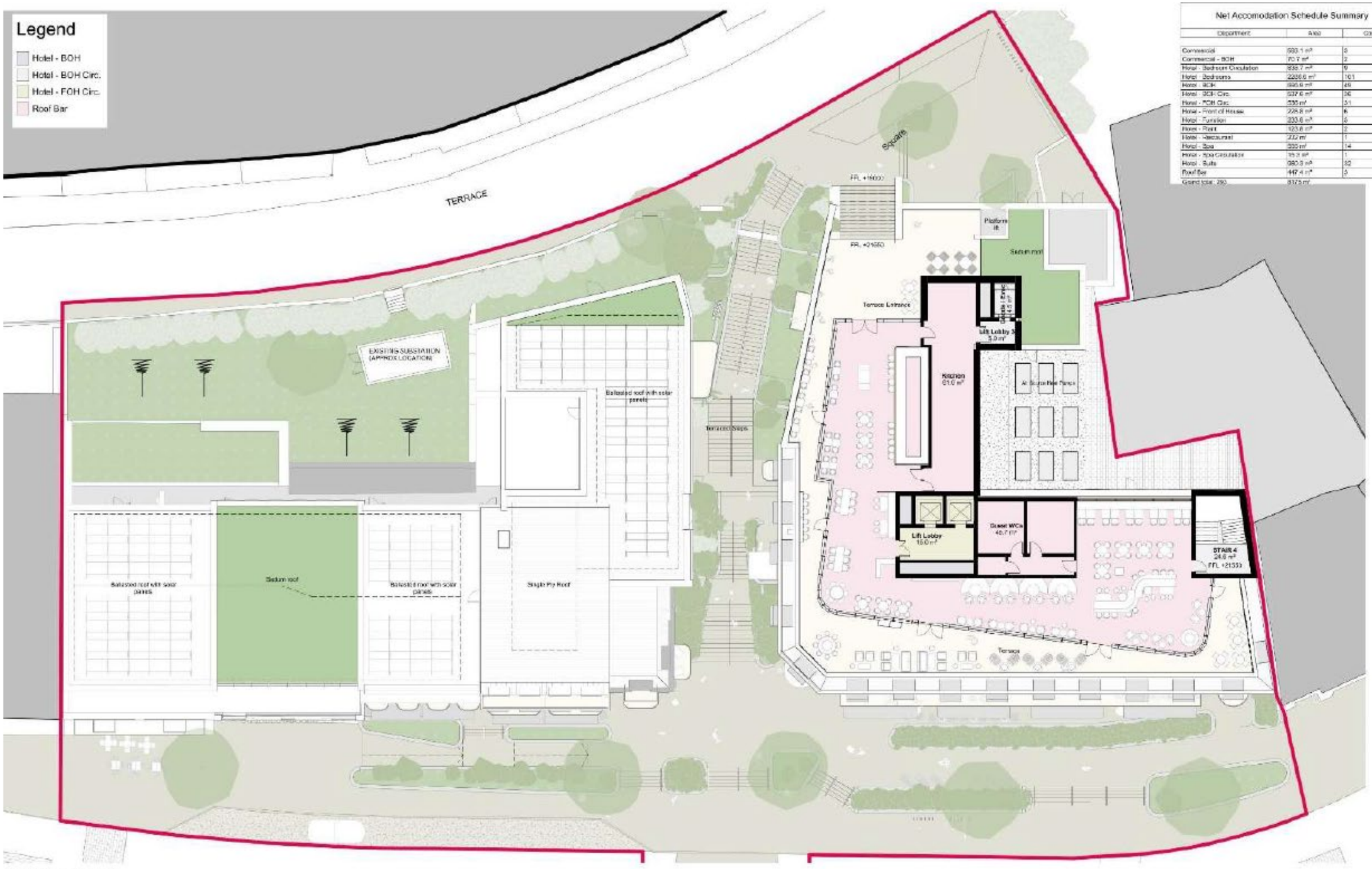
22102 Second Floor



22103 Third Floor



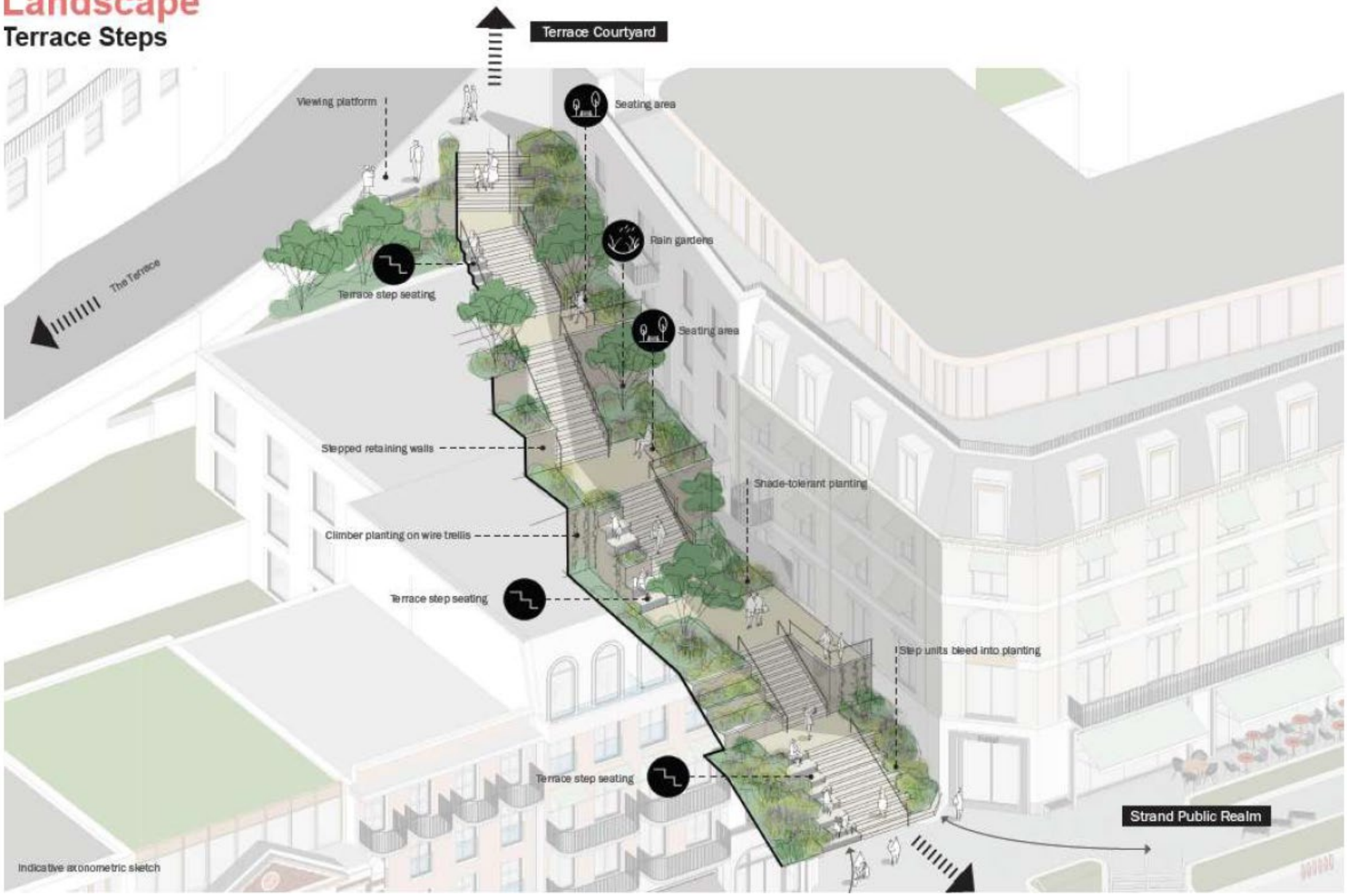
22104 Fourth Floor



22105 Fifth Floor

Landscape

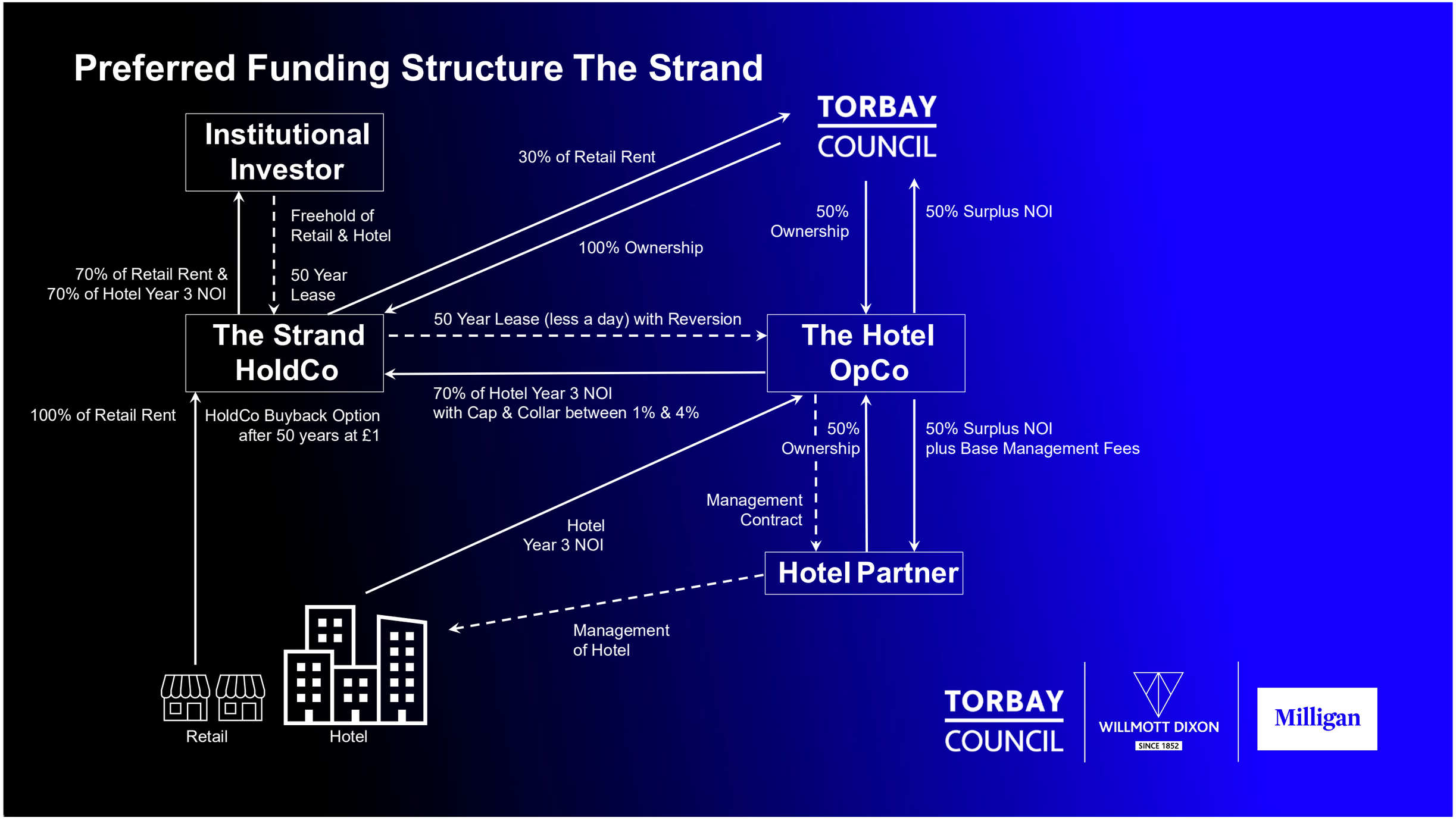
Terrace Steps



The Proposed Strand



Appendix E. Legal & Operational Structure



Appendix F: Development Appraisal

Investment Value versus Development Cost (@ PC+ 2 Years)

SUMMARY

KEY METRICS — **The Strand Torquay**

Scheme Information

Development Period	7	Years
Debt Interest rate	5.00%	Per Annum
Exit Point	PC+	2 Years

Revenue Generating Areas

	Area		% of Total
F&B	6,415		100.0%
Total Area	**6,415**	**Sq Ft**	**100.0%**
Hotel	133	Keys	

Income & Investment Value

	Net Revenue	Average Yield	Cap Value	% of Total
F&B	£190,022	23.333%	£814,379	5.8%
Hotel	£3,099,737	46.667%	£6,642,293	94.2%
Totals	**£3,289,758**	**44.118%**	**£7,456,671**	**100%**
Headlease	£0	0.0%	£0	
NOI Deductions			£0	
Rent Free Periods			-£95,011	
Purchasers Costs			-£465,491	
Capital Receipts			£60,428,255	
Interim Income (inc void costs)			£5,172,137	
Net Realisation			**£72,496,561**	

Development Costs & Overlay

		% of Total
Acquisition Costs	£6,516,979	8.1%
Planning Costs	£905,397	1.1%
Construction Costs	£62,205,226	77.2%
Other Construction	£430,000	0.5%
Professional Fees	£3,545,294	4.4%
Marketing & Letting	£292,493	0.4%
Disposal/Funding Costs	£496,211	0.6%
Capital Incentives	£285,033	0.4%
Finance Costs	£5,901,094	7.3%
Totals	**£80,577,727**	**100.0%**

Profit & Performance (Cost vs Value at Exit)

Profit	**-£8,081,165**
Profit on Cost %	**-10.03%**
Peak Debt	**£15,682,355**

Profit & Performance (Revenue Vs Debt Service from PC + 1yr)

Long Term PWLB Debt (Annuity)	**£16,005,595**
Revenue Vs Debt Service (Yr1)	**£3,628**
Revenue Vs Debt Service (Yrs 1-5)	**-£1,479,904**
Revenue Vs Debt Service (Yrs 1-10)	**-£2,818,078**

Hotel Revenue Projection (first 5 years to stabilisation)

TRADING SUMMARY	Y1 (2029) Forecast	Yr1 Q1	Yr1 Q2	Yr1 Q3	Yr1 Q4	Y2 (2030) Forecast	Yr2 Q1	Yr2 Q2	Yr2 Q3	Yr2 Q4	Y3 (2031) Forecast	Yr3 Q1	Yr3 Q2	Yr3 Q3	Yr3 Q4	Y4 (2032) Forecast	Y5 (2033) Forecast
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
SALES	**9,485,753**	**1,748,221**	**2,583,005**	**3,159,314**	**1,995,213**	**10,565,789**	**1,975,320**	**2,890,835**	**3,474,353**	**2,225,281**	**11,605,914**	**2,175,752**	**3,157,939**	**3,836,632**	**2,435,591**	**11,956,960**	**12,384,953**
Cost of Sales	1,007,206	205,080	266,158	296,122	239,845	1,140,795	237,237	304,674	327,649	271,235	1,273,193	264,384	338,814	367,231	302,764	1,316,852	1,362,123
Direct Expenses	853,219	162,426	228,973	267,986	193,834	920,270	177,517	246,797	288,206	207,750	974,514	188,088	260,486	308,145	217,796	996,577	1,023,089
Direct Payroll	2,619,625	552,296	691,157	768,395	607,777	2,879,762	616,812	763,821	830,906	668,222	3,119,692	666,720	824,242	906,526	722,205	3,202,428	3,282,625
DEPARTMENTAL PROFIT	**5,005,703**	**828,419**	**1,396,717**	**1,826,812**	**953,756**	**5,624,963**	**943,753**	**1,575,543**	**2,027,593**	**1,078,074**	**6,238,515**	**1,056,559**	**1,734,398**	**2,254,731**	**1,192,827**	**6,441,102**	**6,717,116**
Overheads	1,929,383	478,443	485,456	482,706	482,778	2,020,966	500,580	508,737	505,871	505,778	2,118,001	524,017	533,411	530,424	530,149	2,168,998	2,221,240
HOTEL GOP before Management Fees	**3,076,321**	**349,976**	**911,261**	**1,344,106**	**470,978**	**3,603,996**	**443,173**	**1,066,806**	**1,521,722**	**572,296**	**4,120,514**	**532,542**	**1,200,987**	**1,724,306**	**662,678**	**4,272,104**	**4,495,876**
Management and Marketing Fees	563,756	102,557	155,448	190,727	115,025	624,257	115,013	172,033	209,775	127,437	681,336	125,873	186,725	230,500	138,238	702,206	728,349
EBITDA	**2,512,564**	**247,420**	**755,813**	**1,153,379**	**355,953**	**2,979,739**	**328,160**	**894,773**	**1,311,947**	**444,859**	**3,439,178**	**406,669**	**1,014,263**	**1,493,806**	**524,439**	**3,569,899**	**3,767,527**
FFE Reserve (4%)	343,968	62,712	95,007	115,966	70,282	380,429	69,888	105,139	127,534	77,868	415,045	76,394	114,085	140,131	84,434	428,098	444,216
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOP	**2,168,597**	**184,707**	**660,806**	**1,037,413**	**285,671**	**2,599,310**	**258,273**	**789,634**	**1,184,413**	**366,991**	**3,024,133**	**330,275**	**900,178**	**1,353,675**	**440,005**	**3,141,801**	**3,323,311**
	22.9%	10.6%	25.6%	32.8%	14.3%	24.6%	13.1%	27.3%	34.1%	16.5%	26.1%	15.2%	28.5%	35.3%	18.1%	26.3%	26.8%
+2.5% indexation for 2030 Trading	**2,222,812**	**189,325**	**677,326**	**1,063,348**	**292,813**	**2,664,293**	**264,729**	**809,375**	**1,214,023**	**376,166**	**3,099,737**	**338,532**	**922,682**	**1,387,517**	**451,005**	**3,220,346**	**3,406,394**

Overall Rent & Revenue Schedule

RENT & INCENTIVE SCHEDULE

UNITS				LETTABLE AREA (SQ FT)							BASE RENT: RENTAL RATES (SQ FT)								BASE RENT: INFLATION				POST INFLATION	TOTAL RENT	INCENTIVES				
Unit No.	Block	Status	Tenant	LGF	GF	+1	+2	+3	+4	Overall (Net)	LGF Rate	GF Rate	+1 Rate	+2 Rate	+3 Rate	+4 Rate	Overall Rate	Current ERV	Annual Rent Inflation		Years	Factor	Projected ERV	Projected Total ERV	Rent Free	Rent Free	Capital	Capital	TOTAL
																									months	£	Months	£	INCENTIVE
F&B				**LGF**	**GF**	**+1**	**+2**	**+3**	**+4**	**Total**																			
Ground Level Units		Available		0	6,415	0	0	0	0	6,415		£27.50					£27.50	£176,422	2.0%	1.020	4	1.077	£190,022	£190,022	6	£95,011	18	£285,033	£380,043
Unit		Available		0	0	0	0	0	0	0								£0	0.0%	1.000	0	1.000	£0	£0	0	£0	0	£0	£0
Unit		Available		0	0	0	0	0	0	0								£0	0.0%	1.000	0	1.000	£0	£0	0	£0	0	£0	£0
Totals				**0**	**6,415**	**0**	**0**	**0**	**0**	**6,415**							**£27.50**	**£176,422**					**£190,022**	**£190,022**		**£95,011**		**285,033**	**380,043**
Hotel										**Keys**							**Per Key**												
Unit Ref		Available								133							£23,306	£3,099,737	0.0%	1.000	3	1.000	£3,099,737	£3,099,737	0	£0	0	£0	£0
Totals										**133**								**£3,099,737**					**£3,099,737**	**£3,099,737**		**£0**		**£0**	**£0**
TOTALS																		**£3,276,158**					**£3,289,758**	**£3,289,758**		**£95,011**		**£285,033**	**£380,043**

Revenue versus Debt Service Schedule

REVENUE				2030/31	2031/32	2031/32	2032/33												
F&B				Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	
Gross Revenue (inc initial letting voids)				£95,011	£190,022	£190,022	£190,022	£196,197	£214,725	£214,725	£214,725	£214,725	£221,703	£242,639	£242,639	£242,639	£242,639	£250,525	
% Void in Year				0%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	
Letting Void	**Months**	**% of Rent Roll**																	
Rental (months)	3			£0	£0	£0	£0	£0	-£18,788	£0	£0	£0	£0	-£21,231	£0	£0	£0	£0	
Service Charge (months)	3			£0	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	
Business Rates (months)	3	45%		£0	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	
Letting Costs																			
Rent Free Periods (months)	6			£0	£0	£0	£0	£0	-£37,577	£0	£0	£0	£0	-£42,462	£0	£0	£0	£0	
Capital Contributions (months)	6			£0	£0	£0	£0	£0	-£37,577	£0	£0	£0	£0	-£42,462	£0	£0	£0	£0	
Leasing Agents Fee (%)		15%		£0	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	
Leasing Legal Fee (%)		5%		£0	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	
Total				**£95,011**	**£190,022**	**£190,022**	**£190,022**	**£196,197**	**£98,596**	**£214,725**	**£214,725**	**£214,725**	**£221,703**	**£114,297**	**£242,639**	**£242,639**	**£242,639**	**£250,525**	
Hotel				**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**	**Yr 6**	**Yr 7**	**Yr 8**	**Yr 9**	**Yr 10**	**Yr 11**	**Yr 12**	**Yr 13**	**Yr 14**	**Yr 15**	
Net Operating Income				£2,222,812	£2,664,293	£3,099,737	£3,220,346	£3,406,394	£3,474,522	£3,544,012	£3,614,892	£3,687,190	£3,760,934	£3,836,153	£3,912,876	£3,991,133	£4,070,956	£4,152,375	
Total				**£2,222,812**	**£2,664,293**	**£3,099,737**	**£3,220,346**	**£3,406,394**	**£3,474,522**	**£3,544,012**	**£3,614,892**	**£3,687,190**	**£3,760,934**	**£3,836,153**	**£3,912,876**	**£3,991,133**	**£4,070,956**	**£4,152,375**	
	Per Annum																		
Non Recoverable LL expenses	£0			£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	
NET OPERATING INCOME (NOI)				**£2,317,822**	**£2,854,315**	**£3,289,758**	**£3,410,368**	**£3,602,591**	**£3,573,117**	**£3,758,737**	**£3,829,617**	**£3,901,915**	**£3,982,637**	**£3,950,450**	**£4,155,514**	**£4,233,772**	**£4,313,595**	**£4,402,900**	
	% of NOI	Annual Minimum																	
Asset Managment Fee	1%	£25,000		£25,000	£28,543	£32,898	£34,104	£36,026	£35,731	£37,587	£38,296	£39,019	£39,826	£39,504	£41,555	£42,338	£43,136	£44,029	
NET INCOME				**£2,292,822**	**£2,825,772**	**£3,256,861**	**£3,376,264**	**£3,566,565**	**£3,537,386**	**£3,721,149**	**£3,791,321**	**£3,862,896**	**£3,942,811**	**£3,910,945**	**£4,113,959**	**£4,191,434**	**£4,270,459**	**£4,358,871**	
PWLB DEBT SERVICE - ANNUITY					1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Total Debt at PC+1yr (inc rolled up interest)	£16,005,595				£16,005,595	£15,873,098	£15,733,976	£15,587,898	£15,434,517	£15,273,466	£15,104,363	£14,926,804	£14,740,368	£14,544,609	£14,339,063	£14,123,240	£13,896,625	£13,658,680	
Capital Repayment Element					-£132,497	-£139,122	-£146,078	-£153,382	-£161,051	-£169,103	-£177,559	-£186,436	-£195,758	-£205,546	-£215,823	-£226,615	-£237,945	-£249,843	
	Loan Period (yrs)	Interest Rate																	
Repayments (Equal Instalments Int+Cap)	40	5.000%			-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	
TOTAL DEBT SERVICE					**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	
REGEN LEASE RENT				4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
	Lease Term (yrs)	Indexation																	
Annual Payments	50	2.000%		-£1,151,415	-£2,325,859	-£2,372,376	-£2,419,824	-£2,468,220	-£2,517,585	-£2,567,936	-£2,619,295	-£2,671,681	-£2,725,115	-£2,779,617	-£2,835,209	-£2,891,913	-£2,949,752	-£3,008,747	
TOTAL LEASE PAYMENTS				**-£1,151,415**	**-£2,325,859**	**-£2,372,376**	**-£2,419,824**	**-£2,468,220**	**-£2,517,585**	**-£2,567,936**	**-£2,619,295**	**-£2,671,681**	**-£2,725,115**	**-£2,779,617**	**-£2,835,209**	**-£2,891,913**	**-£2,949,752**	**-£3,008,747**	
INCOME SHARE (HOTEL OPERATOR)																			
		Share																	
Share of Hotel NOI less Regen Lease Rent		50%		-£535,698	-£169,217	-£363,680	-£400,261	-£469,087	-£478,468	-£488,038	-£497,799	-£507,755	-£517,910	-£528,268	-£538,833	-£549,610	-£560,602	-£571,814	
TOTAL INCOME SHARE PAYMENTS				**-£535,698**	**-£169,217**	**-£363,680**	**-£400,261**	**-£469,087**	**-£478,468**	**-£488,038**	**-£497,799**	**-£507,755**	**-£517,910**	**-£528,268**	**-£538,833**	**-£549,610**	**-£560,602**	**-£571,814**	
Annual Surplus/Deficit				**£605,709**	**-£602,081**	**-£411,972**	**-£376,597**	**-£303,518**	**-£391,444**	**-£267,602**	**-£258,550**	**-£249,317**	**-£232,990**	**-£329,716**	**-£192,860**	**-£182,866**	**-£172,672**	**-£154,467**	
Cumulative Surplus/Deficit				**£605,709**	**£3,628**	**-£408,344**	**-£784,942**	**-£1,088,460**	**-£1,479,904**	**-£1,747,505**	**-£2,006,055**	**-£2,255,372**	**-£2,488,362**	**-£2,818,078**	**-£3,010,938**	**-£3,193,803**	**-£3,366,475**	**-£3,520,942**	

Yr 16	Yr 17	Yr 18	Yr 19	Yr 20	Yr 21	Yr 22	Yr 23	Yr 24	Yr 25	Yr 26	Yr 27	Yr 28	Yr 29	Yr 30	Yr 31	Yr 32	Yr 33	Yr 34	Yr 35	Yr 36	Yr 37	Yr 38	Yr 39	Yr 40	Yr 41
£274,182	£274,182	£274,182	£274,182	£283,093	£309,825	£309,825	£309,825	£309,825	£319,895	£350,103	£350,103	£350,103	£350,103	£361,481	£395,616	£395,616	£395,616	£395,616	£408,474	£447,046	£447,046	£447,046	£447,046	£461,575	£505,162
35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%	0%	0%	0%	0%	35%
-£23,991	£0	£0	£0	£0	-£27,110	£0	£0	£0	£0	-£30,634	£0	£0	£0	£0	-£34,616	£0	£0	£0	£0	-£39,117	£0	£0	£0	£0	-£44,202
-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403	£0	£0	£0	£0	-£1,403
-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482	£0	£0	£0	£0	-£7,482
-£47,982	£0	£0	£0	£0	-£54,219	£0	£0	£0	£0	-£61,268	£0	£0	£0	£0	-£69,233	£0	£0	£0	£0	-£78,233	£0	£0	£0	£0	-£88,403
-£47,982	£0	£0	£0	£0	-£54,219	£0	£0	£0	£0	-£61,268	£0	£0	£0	£0	-£69,233	£0	£0	£0	£0	-£78,233	£0	£0	£0	£0	-£88,403
-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976	£0	£0	£0	£0	-£9,976
-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325	£0	£0	£0	£0	-£3,325
£132,040	**£274,182**	**£274,182**	**£274,182**	**£283,093**	**£152,090**	**£309,825**	**£309,825**	**£309,825**	**£319,895**	**£174,746**	**£350,103**	**£350,103**	**£350,103**	**£361,481**	**£200,347**	**£395,616**	**£395,616**	**£395,616**	**£408,474**	**£229,276**	**£447,046**	**£447,046**	**£447,046**	**£461,575**	**£261,967**
Yr 16	**Yr 17**	**Yr 18**	**Yr 19**	**Yr 20**	**Yr 21**	**Yr 22**	**Yr 23**	**Yr 24**	**Yr 25**	**Yr 26**	**Yr 27**	**Yr 28**	**Yr 29**	**Yr 30**	**Yr 31**	**Yr 32**	**Yr 33**	**Yr 34**	**Yr 35**	**Yr 36**	**Yr 37**	**Yr 38**	**Yr 39**	**Yr 40**	**Yr 41**
£4,235,423	£4,320,131	£4,406,534	£4,494,664	£4,584,558	£4,676,249	£4,769,774	£4,865,169	£4,962,473	£5,061,722	£5,162,956	£5,266,216	£5,371,540	£5,478,971	£5,588,550	£5,700,321	£5,814,327	£5,930,614	£6,049,226	£6,170,211	£6,293,615	£6,419,487	£6,547,877	£6,678,835	£6,812,411	£6,948,660
£4,235,423	**£4,320,131**	**£4,406,534**	**£4,494,664**	**£4,584,558**	**£4,676,249**	**£4,769,774**	**£4,865,169**	**£4,962,473**	**£5,061,722**	**£5,162,956**	**£5,266,216**	**£5,371,540**	**£5,478,971**	**£5,588,550**	**£5,700,321**	**£5,814,327**	**£5,930,614**	**£6,049,226**	**£6,170,211**	**£6,293,615**	**£6,419,487**	**£6,547,877**	**£6,678,835**	**£6,812,411**	**£6,948,660**
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£4,367,463	**£4,594,313**	**£4,680,715**	**£4,768,846**	**£4,867,650**	**£4,828,339**	**£5,079,599**	**£5,174,995**	**£5,272,298**	**£5,381,617**	**£5,337,702**	**£5,616,318**	**£5,721,643**	**£5,829,073**	**£5,950,031**	**£5,900,668**	**£6,209,944**	**£6,326,230**	**£6,444,842**	**£6,578,684**	**£6,522,892**	**£6,866,534**	**£6,994,923**	**£7,125,881**	**£7,273,987**	**£7,210,626**
£43,675	£45,943	£46,807	£47,688	£48,677	£48,283	£50,796	£51,750	£52,723	£53,816	£53,377	£56,163	£57,216	£58,291	£59,500	£59,007	£62,099	£63,262	£64,448	£65,787	£65,229	£68,665	£69,949	£71,259	£72,740	£72,106
£4,323,788	**£4,548,370**	**£4,633,908**	**£4,721,158**	**£4,818,974**	**£4,780,055**	**£5,028,803**	**£5,123,245**	**£5,219,575**	**£5,327,801**	**£5,284,325**	**£5,560,155**	**£5,664,426**	**£5,770,783**	**£5,890,531**	**£5,841,661**	**£6,147,844**	**£6,262,968**	**£6,380,394**	**£6,512,898**	**£6,457,663**	**£6,797,868**	**£6,924,974**	**£7,054,622**	**£7,201,247**	**£7,138,520**
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
£13,408,837	£13,146,502	£12,871,051	£12,581,827	£12,278,141	£11,959,272	£11,624,459	£11,272,905	£10,903,774	£10,516,186	£10,109,218	£9,681,903	£9,233,221	£8,762,105	£8,267,434	£7,748,029	£7,202,654	£6,630,010	£6,028,734	£5,397,394	£4,734,487	£4,038,435	£3,307,580	£2,540,182	£1,734,415	£888,359
-£262,335	-£275,452	-£289,224	-£303,685	-£318,870	-£334,813	-£351,554	-£369,131	-£387,588	-£406,967	-£427,316	-£448,682	-£471,116	-£494,671	-£519,405	-£545,375	-£572,644	-£601,276	-£631,340	-£662,907	-£696,052	-£730,855	-£767,398	-£805,768	-£846,056	-£888,359
-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777	-£932,777
-£932,777	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**	**-£932,777**
19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
-£3,068,922	-£3,130,300	-£3,192,906	-£3,256,764	-£3,321,900	-£3,388,337	-£3,456,104	-£3,525,226	-£3,595,731	-£3,667,645	-£3,740,998	-£3,815,818	-£3,892,135	-£3,969,977	-£4,049,377	-£4,130,364	-£4,212,972	-£4,297,231	-£4,383,176	-£4,470,839	-£4,560,256	-£4,651,461	-£4,744,491	-£4,839,380	-£4,936,168	-£5,034,891
-£3,068,922	**-£3,130,300**	**-£3,192,906**	**-£3,256,764**	**-£3,321,900**	**-£3,388,337**	**-£3,456,104**	**-£3,525,226**	**-£3,595,731**	**-£3,667,645**	**-£3,740,998**	**-£3,815,818**	**-£3,892,135**	**-£3,969,977**	**-£4,049,377**	**-£4,130,364**	**-£4,212,972**	**-£4,297,231**	**-£4,383,176**	**-£4,470,839**	**-£4,560,256**	**-£4,651,461**	**-£4,744,491**	**-£4,839,380**	**-£4,936,168**	**-£5,034,891**
-£583,250	-£594,915	-£606,814	-£618,950	-£631,329	-£643,956	-£656,835	-£669,971	-£683,371	-£697,038	-£710,979	-£725,199	-£739,703	-£754,497	-£769,587	-£784,978	-£800,678	-£816,691	-£833,025	-£849,686	-£866,679	-£884,013	-£901,693	-£919,727	-£938,122	-£956,884
-£583,250	**-£594,915**	**-£606,814**	**-£618,950**	**-£631,329**	**-£643,956**	**-£656,835**	**-£669,971**	**-£683,371**	**-£697,038**	**-£710,979**	**-£725,199**	**-£739,703**	**-£754,497**	**-£769,587**	**-£784,978**	**-£800,678**	**-£816,691**	**-£833,025**	**-£849,686**	**-£866,679**	**-£884,013**	**-£901,693**	**-£919,727**	**-£938,122**	**-£956,884**
-£261,161	**-£109,623**	**-£98,588**	**-£87,333**	**-£67,031**	**-£185,015**	**-£16,912**	**-£4,730**	**£7,697**	**£30,340**	**-£100,429**	**£86,362**	**£99,812**	**£113,532**	**£138,791**	**-£6,458**	**£201,418**	**£216,269**	**£231,416**	**£259,596**	**£97,950**	**£329,617**	**£346,014**	**£362,738**	**£394,180**	**£213,968**
-£3,782,103	**-£3,891,725**	**-£3,990,313**	**-£4,077,647**	**-£4,144,678**	**-£4,329,693**	**-£4,346,605**	**-£4,351,335**	**-£4,343,638**	**-£4,313,298**	**-£4,413,727**	**-£4,327,365**	**-£4,227,553**	**-£4,114,021**	**-£3,975,231**	**-£3,981,689**	**-£3,780,271**	**-£3,564,002**	**-£3,332,586**	**-£3,072,990**	**-£2,975,040**	**-£2,645,422**	**-£2,299,409**	**-£1,936,671**	**-£1,542,491**	**-£1,328,523**

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Date: 3rd November 2026

From: [redacted] Limited (the "Investor")
To: Torbay Council (the Principal)
Copy to: Milligan (the "Development Partner"); [redacted] Limited (the "Operator)

Subject to contract and without prejudice

Dear Sirs,

LETTER OF INTENT
Proposed co-investment in Invest Co for the [redacted] and SPA development at 7–14 Strand, Torquay TQ1 2AG

1. Purpose and status
This letter records the principal terms on which the Investor is prepared to progress discussions regarding an investment of up to [redacted]% of the equity required for a newly incorporated special-purpose investment company ("The Hotel Op Co"). The Hotel Op Co would hold the parties' agreed interest in the proposed 133-bedroom [redacted] Hotel and Spa development at 7–14 Strand, Torquay TQ1 2AG (the "Development").
Except for sections 10 (Confidentiality), 11 (Exclusivity), 13 (Costs), 14 (Governing law and jurisdiction) and 15 (Legal effect), which are intended to be binding if completed and agreed, this letter is an expression of present intention only. The proposed transaction remains subject to contract, agreement of pricing and full-form legal documentation. Neither party is obliged to proceed unless and until definitive agreements are executed.

2. Proposed investment

- **Vehicle:** The Hotel Op Co, to be incorporated on terms agreed between the parties.
- **Investor participation:** Will take the form of 2 separate contributions:
  - A) An investment of £[redacted] into the Hotel OpCo for [redacted]% of the equity in The Hotel Op Co, subject to agreement of total development cost, capital structure, funding timetable, governance, reserved matters, and exit arrangements.
  - B) a key money contribution by the Manager of £[redacted], subject to a Non-Disturbance Agreement for a minimum period of [redacted] years with the Hotel Op Co, The Strand Hold Co and subject to the terms of the institutional funding the Institutional Investor.
- **Development:** a fully completed, furnished and operationally ready 133 bedroom hotel and spa at the Property.
- **Funding:** contributions shall be made in the proportions and at the times agreed in the definitive investment and shareholders' agreements. Any debt funding, cost overruns, contingencies and further funding obligations shall be separately agreed and bourn by The Strand Hold Co (developer and superior Landlord).
- **Opening working capital:** The Hotel OpCo shall provide working capital equal to three months' forecast operating expenditure before opening, with all pre-opening costs being charged to The Strand Hold Co.

[redacted]

- **Liabilities Going Forward:** In accordance with the discussions with the Principal and the Development Partner, the Investor will not be held responsible for any shortfalls in rental payments that may occur. Further, the Investor will also not be obligated to make further contribution or reinvestment into the asset.

3. Conditions precedent

The Investor's participation is conditional upon, among other matters: (a) satisfactory legal, financial, tax, technical, planning, environmental, title, construction and operational due diligence; (b) agreement of pricing and an approved development budget and programme; (c) all necessary internal, investment committee, public-sector and third-party approvals; (d) satisfactory funding arrangements; (e) agreement and execution of all definitive documentation; and (f) the grant to the Operator of a hotel management agreement on terms satisfactory to the Investor and Operator, including the principal terms in section 5.

4. Development delivery and brand standards

- The Development Partner shall procure delivery of a fully constructed, fitted-out, furnished, equipped, tested and commissioned hotel and spa, including all furniture, fixtures and equipment ("FF&E") and operating supplies and equipment ("OS&E"), in accordance with the approved plans, budget, programme and [redacted] brand standards.
- The interior design will developed and overseen by the Investor's external interior design partner, at present this is DO Design Studios.
- [redacted] shall have final approval of the interior specification and the overall look and feel, acting reasonably and for the purpose of protecting brand integrity. A design approval process, response periods and change-control procedure shall be agreed in the definitive documents.
- All development and pre-opening works must comply with applicable law, planning permissions, licences, building regulations, warranties, insurance requirements and agreed technical standards.

5. Hotel management agreement

- **Manager:** [redacted] Limited.
- **Term:** [redacted] years from the hotel opening date, subject to the agreed termination provisions.
- **Key Money Contribution:** £[redacted] to be paid in accordance with the Investment Schedule
- **Base management fee:** [redacted] % of Gross Revenue, with the definition, payment mechanics and exclusions to be agreed.
- **Central marketing fee:** [redacted] % of Gross Rooms Revenue, with eligible central services and any pass-through costs to be defined.
- **Incentive/licence Fee:** [redacted] % of the Surplus NOI after rent as paid through the Hotel OpCo paid annually in arears (the form of this to be agreed and can be done off P&L).
- **Direct booking / central reservations contribution:** [redacted] % of revenue generated through direct booking channels and/or [redacted] 's central reservations operation, subject to negotiation and avoidance of double recovery through the base management fee. The parties shall consider a per-booking charge benchmarked against prevailing international operator practice as an alternative.
- **Pre-opening access:** [redacted] shall receive full and safe access to the Property for at least three months before the scheduled opening date to inspect completion, oversee operational readiness, implement brand standards and deliver staff training. Access shall not transfer construction or site-safety responsibility to [redacted].

- **General Manager:** [redacted] shall appoint the General Manager not less than six months, and preferably nine months, before the scheduled opening date. The General Manager's salary and associated employment costs together with other staff costs shall be treated as project pre-opening costs; treatment of costs incurred earlier shall be agreed in the approved pre-opening budget. The General Manager shall be an employee of [redacted] Ltd with all costs charged to the Hotel Op Co. All other staff will be employed directly by the Hotel OpCo or suitable company as may be agreed between the parties.
- **Pre-opening costs:** all approved pre-opening costs shall be funded by the Development Partner/development company and capitalised or otherwise accounted for outside the hotel's year-one operating profit and loss account, to the extent permitted by applicable accounting standards.
- **FF&E reserve:** the management contract shall provide for an annual contribution equal to [redacted]% of Gross Revenue to an FF&E reserve. [redacted]% of each annual contribution may be applied each year, at the Operator's sole discretion, [redacted], with any unused amount remaining in and being added to the reserve fund. The remaining [redacted]% of each annual contribution shall be held as a reserve for major items and emergency works, under the control of The Hotel Op Co.
- **Non-Disturbance Agreement:** A NDA with a minimum term of [redacted] years authorised by the Hotel OpCo, Strand Co and Institutional Investor.

6. Performance, returns and termination

The hotel management agreement shall include an agreed performance test, cure rights and termination mechanics that kicks in on the [redacted]th anniversary of the opening of the asset.

If the relevant performance test is not met after expiry of all agreed cure periods, the Hotel OpCo or relevant council entity may elect to terminate the agreement. The parties shall agree whether any additional compensation, outstanding fees, break costs or liabilities are payable.

On termination all branding, software, IP and proprietary data shall be removed from the property.

7. Operator restriction in the Torquay area

For so long as the hotel management agreement remains in force or the Property is operated by the Operator, the Operator shall not, without the prior written consent of The Hotel Op Co, directly or indirectly acquire, develop, open, operate, manage, franchise, brand or otherwise have a material economic interest in any other hotel within the Torquay area. The definitive hotel management agreement shall define the geographic extent of the "Torquay area", any permitted existing interests, passive investments and other customary exceptions, and the remedies for breach.

8. Governance and reserved matters

The shareholders' agreement shall provide for proportionate board representation, information and audit rights, an annual business plan and budget, and customary reserved matters requiring both parties' approval. Reserved matters are expected to include material changes to scope, budget or funding; borrowing and security; related-party arrangements; appointment or removal of the manager; material disposals; distributions; new equity; and any sale, refinancing or winding-up of Invest Co.

9. Due diligence and documentation

[redacted]

Each party shall provide reasonable access to relevant information and advisers. Definitive documentation is expected to include an investment/subscription agreement, shareholders' agreement, articles of association, hotel management agreement, development and funding agreements, direct agreements with funders where required, and any property or occupational documents. All documents shall contain customary warranties, undertakings, indemnities, limitations of liability, default remedies and completion conditions appropriate to the transaction.

[redacted]

10. Confidentiality
The existence and terms of this letter and all non-public information exchanged in connection with the proposed transaction shall be confidential and used solely to evaluate and implement the transaction, save for disclosures required by law, regulation, freedom of information obligations or to professional advisers and funders who are subject to appropriate confidentiality duties. This section is subject to any existing confidentiality agreement between the parties.

11. Exclusivity
For a period of [90] days from acceptance of this letter, the Development Partner shall not solicit, encourage, negotiate or enter into any competing proposal concerning an equity investment in Invest Co or the appointment of a hotel operator for the Development, except for discussions already disclosed in writing to the Investor. This section is optional and shall apply only if the parties complete the period and any permitted exceptions before signing.

12. Timetable and lapse
The parties will use reasonable endeavours to agree heads of terms, complete due diligence and negotiate definitive documents by [●]. Unless extended in writing, this letter shall lapse on [●], without prejudice to any binding provision stated to survive.

13. Costs
Each party shall bear its own legal, professional and other costs in connection with the proposed transaction, whether or not it proceeds, save that agreed project and pre-opening costs shall be borne as set out in the definitive documents.

14. Governing law and jurisdiction
This letter and any non-contractual obligations arising from it shall be governed by the law of England and Wales. The courts of England and Wales shall have exclusive jurisdiction.

[redacted]

15. Legal effect

No statement in this letter constitutes an offer capable of acceptance, a partnership, agency, fiduciary relationship or commitment to invest. Any investment is subject to satisfactory due diligence, final credit and investment approvals, agreement of all terms and execution of definitive documents. No party may rely on this letter as creating an obligation to complete the proposed transaction, except in relation to the provisions expressly stated to be binding.

If the above accurately records the basis on which discussions should proceed, please sign and return the enclosed counterpart.

Yours faithfully,
For and on behalf of [Investor]

Signed: _____
Name: [●]
Title: [●]
Date: [●]

Agreed solely as to the binding provisions and as a basis for further discussions:

For and on behalf of [Development Partner / Council entity]

Signed: _____
Name: [●]
Title: [●]
Date: [●]

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

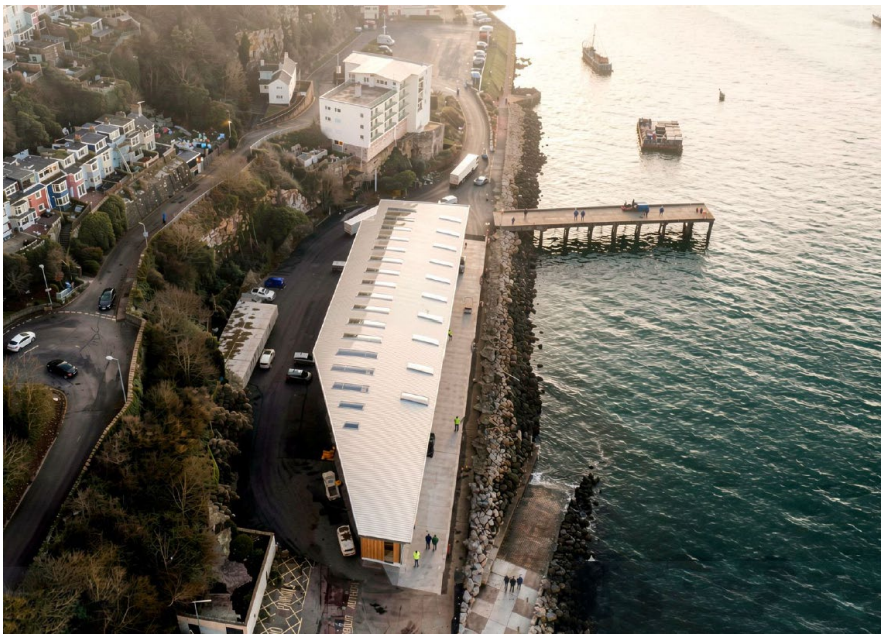
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TORBAY COUNCIL

Oxen Cove, Brixham

Outline Business Case (OBC)



Version Control and Approvals:

Version 0.1	Name	Date
Prepared by:	Helen James Martin Tresidder	29/10/2026
Reviewed by:	Operational Review Board:	26/10/2026
	Finance sign-off:	26/10/2026
	Procurement sign-off:	26/10/2026
Approved by:	Capital Growth Board	04/11/2026

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1 Introduction

1.1 Purpose of this Report

This report outlines the Outline Business Case for Oxen Cove and seeks the following approvals:

- Approval of £1,554,745 from LRF Grant Funding for the procurement activities and technical design phase up to FBC including pre-construction and enabling cost relating to vacant possession of the site.

1.2 Changes since SOC

The following changes to the scheme have been made since SOC

- Area & building footprint:
    - Building footprint changed to provide access to the SWW Pumping Station and to avoid the SWW rising main to the rear of the site following further surveys. As a consequence the area reduced from 2925m^2 to 2624m^2.
    - Unit 5 positioning and footprint updated to suit a more efficient external yard layout and has recently been omitted from the scheme.
- Removal of balcony and overhang roof to sea elevation for buildability, programme and cost purposes; and not required by potential tenants.
- Building height increased to allow for potential tenant equipment and future flexibility for all units.
- Ground floor finish level & Southwest Coastal Path / public realm improvements
    - Minimal ground floor FFL governed by LLFA and EA and increased to 4.330m AOD. Requiring the need for retaining structures to be located along the Southwest Coastal path. The retaining wall combined with the vehicle barrier protection provides pause places for the public using the Coastal Path.
- Seawater
    - Tenant requirements clarified. Design brief established which was not known at SOC. The design is still being developed.
- Vehicle barrier, gates and pedestrian gates introduced for safety and security and Design Review Panel feedback.

1.3 Project Summary

Executive Summary				
Project Name	Oxen Cove (Port Infrastructure Project)			
Torbay Council Directorate	Pride in Place			
Torbay Council Service	Regeneration & Harbours			
Project Manager	Tim Jones (project executive)			
Location of project	Oxen Cove, Brixham			
Delivery timeframe	Start Date:	March 2027	End Date:	Completion May 2028 Fit out Completion July 2028

Summary of the need for the project
Brixham Fish Market has experienced significant growth and is operating beyond practical and safe capacity. The new facility at Oxen Cove provide accommodation and infrastructure to support future growth of the fishing sector in Brixham.

Detail of project scope
The project will deliver 4 high spec landlords shell units for fishing industry businesses, together with external yards, improved access arrangements for vehicles and pedestrians. The scheme will also regularise and vastly improve facilities in the area including amenity of the public with improved access and quality of the South West Coast Path.

Project objectives
• Deliver 2,550m² of new operational / lettable accommodation • Improve productivity and operational efficiency across harbour users • Rationalise harbour occupations and optimise the use of harbour assets. • Creation of circa 40 jobs.

Financial summary			
Current Approved budget:	£1,033,496	Next Phase Budget requested (to FBC)	£1,554,745
Spend to Date:	£1,032,394	Full project anticipated budget	£13,308,895

Key risks to delivery			
Risk description	**Initial risk score**	**Mitigation**	**Residual risk score**
1 Vacant Possession - Failure to achieve full and timely Vacant Possession and tenant decant	20	TC confirmed that notice to vacate was served on all current occupiers in June 2026 except Waterdance. Ontrack to vacate by Christmas 2026. Waterdance subject of ongoing discussions with TC and expected to vacate by Feb 2027	15
2 Site - Cliff stabilisation works	20	Sufficient funding (£1m) has been allocated to address cliff stability directly behind the Development. Once tender returns have been received from specialists the exact extent and specification for works will be agreed.	15
3 Programme - Aggressive SOC programme	20	Risk realised in RIBA 2 and 3. Risk remains. Contractor leading design in RIBA 4. Design team continuity typically. Contractor aware of programme constraints.	15

Table 1 – Project Summary

2 Strategic Case

2.1 The case for change

2.1.1 Strategic need

Brixham, with its rich fishing heritage dating back to the 14th century, is renowned as one of the birthplaces of trawling. In the 19th century, Brixham was home to 270 sail-operated decked trawlers and employed 1,600 seamen, earning it the title of "the largest fishery in England." This historic legacy is why Brixham Fish Market is truly one of a kind.

Today, Brixham is England's largest fish market by value of fish sold. Brixham Fish Market has experienced sustained and material growth over the past five years, reflecting both increased volumes landed and strengthening market values. The total value of fish sold through the market has increased from £35.8m in 2020 to £77.7m in 2025, representing a clear upward trajectory notwithstanding short-term fluctuations in individual years.

The current Fish Market can no longer accommodate the required volumes of processing, auctioning and fish handling. Consequently, to support and achieve growth, there is an urgent need to optimise the use of space within the existing Brixham Fish Market and identify nearby areas to meet the expanding demands.

2.1.2 Corporate and Community Plan alignment

Outcomes (corporate spending objectives)	How the project supports the outcome
Community and People	
▪ People to feel safe in their local area, during the day and after dark ▪ All residents are supported to live independent, healthy, active lives, without the need for long term services ▪ Young people in receipt of services from children's services are prepared for adulthood ▪ People with care and support needs feel empowered and can access good or	▪ To support education and training, to enable people to fulfil their potential. ▪ To ensure our town centres are safe and welcoming for all. ▪ The scheme enhances the current area with a high-quality development and enhanced accessible improvements to the South West Coastal Path.

outstanding quality and tailored care and support ▪ People feel they belong to their local area ▪ People feel that their physical and mental wellbeing is as good as possible	▪ It will enable the people across Torbay to celebrate success and feel they belong to their local area.
Pride in Place	
▪ Enhanced high streets that attract long-term tenants and an increased number of visitors ▪ An enhanced and coherent culture, heritage and events offer with increased engagement and participation ▪ Increased customer satisfaction with our parks, green spaces and streets ▪ Younger, skilled people are attracted and retained to live and/or work in Torbay ▪ Increased resident satisfaction with the local area	▪ Enhancement of the South West Coastal Path and public realm associated with the development and improves the optics for arrival in Brixham. ▪ The development provides opportunity for engagement depending on the tenants. ▪ The scheme provides employment to attract younger, skilled people to stay and work and live in Torbay. ▪ The scheme presents ordered and high-quality building compared to what is currently on site. It will improve safety for the Fish Market operations in the local town and improve resident satisfaction.
Economic Growth	
▪ Established pathways for young people, including those with special educational needs and/or disabilities (SEND), and unemployed to employment opportunities with skills levels moving toward national averages ▪ Improved productivity in Torbay which closes the gap compared to the national data ▪ The number of businesses and jobs in Torbay increases ▪ Better balance of full-time to part-time opportunities ▪ Targeted approach to inward investment which attracts new high-tech companies	▪ The scheme will provide improved productivity in the Fish Market, and the creation of 40 new jobs

Table 2 – Corporate & Community Plan Alignment

2.1.3 Other relevant strategies

The need for this project is reflected in a several key local strategies including Torbay's Corporate Plan, Torbay Story and Torbay Port Masterplan.

This project supports Torbay Council's Economic Recovery Plan. This sets out Torbay's proposed response to the economic challenges facing the community following the Covid-19 pandemic.

The Torbay Community and Corporate Plan sets out the Council's ambition and vision for a prosperous and healthy Torbay.

2.1.4 Existing arrangements

The site is currently used as a surface car-park and informal yard space.

There is no organised order to the current tenants, the space they occupy and either pay very little or no rent.

Current Vacant Possession position:

Torbay Council is managing the Vacant Possession of the site and advised that all existing tenants will be out by Christmas 2026 with the exception of Waterdance and they will vacate by the end of February 2027.

The current Fish Market can no longer accommodate the required volumes of processing, auctioning and fish handling. Consequently, to support and achieve growth, there is an urgent need to optimise the use of space within the existing Brixham Fish Market and identify nearby areas to meet the expanding demands.

2.1.5 Current and future business needs

Torbay Council/Harbour Authority own the freehold to the fish market and the surrounding car parks and associated land in Brixham. Core Fish Market buildings and surrounding quay-side accommodation are operating at or beyond practical capacity. Over time, ancillary and supplementary uses have been accommodated within fish market buildings or through temporary and informal structures, driven by operational necessity rather than strategic planning. Operations have expanded onto Oxen Cove Car Park (the site) in an informal manner with temporary buildings and limited lease documentation.

While this informal expansion has enabled the market to function, it has resulted in:

- Constrained operational layouts within the fish market;
- Inefficient circulation and servicing arrangements;
- Reliance on temporary accommodation that is not fit for long-term use; and
- Limited ability to expand core market functions without intervention elsewhere within the harbour.
- Lack of full visibility with regard to asset control and leasing arrangements.

Addressing these constraints is essential if the Fish Market is to continue to grow in a safe, efficient and commercially sustainable manner.

As the port is a key employer, the Council is keen to support the future expansion and growth of the market. The Oxen Cove development is part of the strategy to implement additional space.

2.2 Theory of change

2.2.1 Deliverables

The project outputs are:

- 4No. New industrial units to a “shell” specification for tenants to fit out.
- Infrastructure specific to the needs of the fishing industry tenants i.e. seawater
- Secure external yard space to rear
- Vehicle access to front of unit
- Improved public realm and access route for the South West Coastal path

It is noted the above outputs maintain access for the Brixham Yach Club, South West Water Pumping Station and Shellfish Jetty.

In addition to the above, this scheme includes for stabilisation works to the cliff to make the site safe for it's occupants.

2.2.2 Project objectives

The key objectives and respective targets for the project are set out in the table below.

Challenge	Objective	Measure	Target
Insufficient quantity of suitable operational and commercial accommodation to support existing and future fishing industry activities at the harbour.	Provide new operational and lettable space for the fishing industry to support current demand and future growth.	Gross Internal Area (GIA) of new fishing industry accommodation delivered.	2,550m² of new operational and/or lettable space completed and available for occupation.
Limited capacity within the harbour is constraining business growth, investment and	Support growth of the local fishing industry through job creation.	Number of direct fishing-related jobs created.	40 direct fishing-related jobs created.

employment opportunities within the fishing sector.			
Existing harbour accommodation and operational arrangements are inefficient and do not fully support modern fishing industry requirements.	Improve productivity and operational efficiency across harbour users.	Occupier feedback, utilisation rates and operational performance indicators.	Demonstrable improvement in harbour operational efficiency and productivity following project completion.
Fragmented and sub-optimal occupation of harbour estate limits effective use of assets and operational functionality.	Rationalise harbour occupations and optimise use of harbour assets.	Number of businesses relocated into fit-for-purpose accommodation and utilisation of harbour estate.	Harbour users accommodated within appropriate facilities and estate occupation rationalised to support long-term operations.
Harbour infrastructure requires modernisation to remain fit for purpose and support future industry needs.	Create a harbour environment that is fit for purpose for existing and future fishing sector operations.	Delivery of project outputs and stakeholder satisfaction.	New facilities operational, supporting sustainable long-term fishing industry growth and harbour resilience.

2.2.3 Logic map

Context (business needs as per 2.1.4)	Deliverables (As per 2.2.1)	Project Objectives (As per 2.2.2)	Strategic Outcomes (As per 2.1.1)
Fish Market buildings operating at or beyond practical capacity. Insufficient suitable accommodation for existing and future fishing industry operations.	4 new industrial units constructed to shell specification for tenant fit-out.	▪ Provide new operational and lettable space for the fishing industry to support current demand and future growth. ▪ 2,550m² of new operational and/or lettable accommodation delivered. • Businesses housed in modern fit-for-purpose facilities. ▪ Additional capacity created within the wider harbour estate.	Enhanced high streets that attract long-term tenants and an increased number of visitors. Increased resident satisfaction with the local area. Younger, skilled people are attracted and retained to live and/or work in Torbay
Constrained operational layouts within the Fish Market. Inefficient circulation and servicing arrangements.	Secure external service yard to support operational activities.	Improve productivity and operational efficiency across harbour users. • Improved utilisation of harbour assets. • Improved circulation and servicing arrangements. • Increased operational efficiency.	The number of businesses and jobs in Torbay increases. Vacancy rates fall year-on-year with businesses able to grow.

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Reliance on temporary accommodation that is not fit for long-term use. Limited ability to expand core market functions. Fragmented occupation of harbour assets and lack of visibility over leases and estate management	Vehicle access provided to the front of units. Improved public realm and enhanced South West Coast Path access.	Rationalise harbour occupations and optimise use of harbour assets. • Existing occupiers relocated from temporary/inappropriate accommodation. • Better estate management and utilisation. • Harbour operations consolidated into appropriate facilities. Create a harbour environment that is fit for purpose for existing and future fishing sector operations. • Modern harbour infrastructure delivered. • Reduced conflict between vehicles and pedestrians. • Long-term harbour resilience and sustainability enhanced Support growth of the local fishing industry through job creation. • 40 direct fishing-related jobs created. • Increased business confidence and investment. • Support long-term growth of Brixham Fish Market.	People feel they belong to their local area. Increased customer satisfaction with parks, green spaces and streets. Increased resident satisfaction with the local area Established pathways to employment opportunities. The number of businesses and jobs in Torbay increases. Better balance of full-time employment opportunities. A strong and sustainable economy supporting growth of key sectors.

Table 3 – Logic Map

2.3 Benefits

Benefit theme	Benefit	Measure
Economic	▪ Increased employment within the fishing sector ▪ Increased capacity for fishing and marine businesses ▪ Improved productivity and operational efficiency ▪ Increased business growth and investment at the harbour	▪ Number of direct fishing-related jobs created ▪ Additional square metres of operational and lettable floorspace delivered ▪ Occupancy levels and utilisation of new facilities ▪ Number of businesses accommodated within the new development
Environmental	▪ More efficient use of harbour land and assets ▪ Replacement of temporary accommodation with permanent facilities ▪ Improved operational layout and servicing arrangements ▪ Enhanced resilience of harbour infrastructure	▪ Occupancy and utilisation rates of harbour assets ▪ Number of businesses relocated from temporary accommodation ▪ User feedback on site operations and logistics ▪ Asset condition assessments and maintenance records
Social	▪ Improved working conditions for harbour users ▪ Improved health and safety within harbour operations ▪ Retention of local fishing businesses and skills ▪ Increased opportunities for local people to access employment	▪ Occupier satisfaction surveys ▪ Number of reported health and safety incidents ▪ Number of fishing-related businesses retained at the harbour ▪ Number of local residents employed in fishing-related roles

Table 4 – Benefits

2.4 Constraints and dependencies

2.4.1 Constraints and considerations

Environmental
Constraints
- Existing coastal location exposed to wind, storms and tidal conditions.
- Potential ecological sensitivities associated with the marine environment and nearby habitats.
- Planning and environmental consent requirements.
- Construction activities must minimise impacts on existing harbour operations and water quality.

Considerations
- Sustainable design and construction methods.
- Energy efficiency of new commercial units.
- Climate resilience and adaptation to future sea level rise and extreme weather events.
- Waste management and recycling during construction and operation.
- Opportunities to improve the appearance and environmental quality of the harbour estate.

Technological
Constraints
- Existing utility infrastructure may have limited capacity to support future occupiers. Note a sensible load estimate has been carried out and agreed with TC.
- Requirement to maintain operational fish market activities during construction.
- Integration with existing harbour services and infrastructure.
- Potential limitations arising from ageing infrastructure across the wider harbour estate.

Considerations
- Provision of modern utilities and servicing infrastructure.
- High-speed broadband and digital connectivity for occupiers.
- Flexible building design capable of accommodating changing industry requirements.
- Incorporation of modern building management and security systems.
- Future-proofing facilities to support innovation within the fishing and marine sectors.

Physical (Land)
Constraints
- Limited availability of development land within the operational harbour.
- Constrained site bounded by existing harbour uses and third-party stakeholders.
- Cliff stability and potential rockfall risks adjacent to the site.
- Restricted access arrangements during construction.
- Requirement to maintain access to neighbouring facilities including harbour users and statutory undertakers.

Considerations
- Efficient use of the available site footprint.
- Vehicle circulation, servicing and operational logistics.
- Pedestrian safety and segregation from operational traffic.
- Ground conditions and foundation requirements.
- Flexibility for future expansion and adaptation of harbour activities.
- Maintaining business continuity for existing occupiers during relocation.

2.4.2 Legal considerations

The following items are for legal consideration:

- Existing leases, refer to 2.1.4.
- Property rights (adjacencies)
- Access arrangements, Southwest Water Pumping Station, Brixham Yach Club, Shellfish Jetty
- Harbour and marine operational requirements

2.4.3 Dependencies

The Oxen Cove scheme has the following dependencies:

- Alternative car parking arrangements for Brixham.
- Vacant Possession of the site.

The cliff had previously been regarded as a dependency for Oxen Cove scheme, however, following recent developments on the scope and ecological implications associated with the cliff, namely bats, it is now anticipated that the works will be carried out during the main works by the Principal Contractor. It is of note that the scope and ecological impacts are being assessed at the time of writing.

3 Economic Case

3.1 Development of preferred option

The preferred option has been developed to planning application and RIBA Stage 3 with the following design development items:

- Area & building footprint:
  - Building footprint changed to provide access to the SWW Pumping Station and to avoid the SWW rising main to the rear of the site following further surveys. As a consequence the area reduced from 2925m2 to 2624m2.
  - Unit 5 positioning and footprint updated to suit a more efficient external yard layout.
- Removal of balcony and overhang roof to sea elevation for buildability, programme and cost purposes; and not required by potential tenants.
- Building height increased to allow for potential tenant equipment and future flexibility for all units.
- Defined the Main Contractor delivery of the landlord “shell” specification and tenants will be responsible for the fitout of their unit.
- Ground floor finish level & Southwest Coastal Path / public realm improvements
- Minimal ground floor FFL governed by LLFA and EA and increased to 4.330m AOD. Requiring the need for retaining structures to be located along the Southwest Coastal path. The retaining wall combined with the vehicle barrier protection provides pause places for the public using the Coastal Path.
- Seawater
  - Tenant requirements clarified. Design brief established which was not known at SOC. The design is still being developed.
- Vehicle barrier, gates and pedestrian gates introduced for safety and security and Design Review Panel feedback.

3.1.1 Scope of preferred option

Refer to Design Pack in Appendix D

- 4No. New industrial units to a “shell” specification for tenants to fit out.
- Secure external yard space to rear
- Vehicle access to front of unit
- Improved public realm and access route for the South West Coastal path

Note that the seawater design is included within the scheme however, the construction delivery of this is subject to the costs being covered by tenant rental income as directed by TC 14th October 2026.

This scheme is not providing any works associated with the land infill link. There is allowance for making good in in Freshwater Car Park following Completion of the works and removal of site cabins; any improvements are excluded from the scope.

3.2 Cost Benefit Analysis

3.2.1 Overview of cost benefit analysis

Hardisty Jones were commissioned to undertake an Economic Assessment of the scheme for inclusion in the Full Planning Application in July 2026.

1 Economic Case

1.1 This report sets out the economic case for the proposed development of Oxen Cove in Brixham, Torbay. The report formed part of a wider assessment of a series of regeneration projects across Torbay, on behalf of Torbay Council, Wilmott Dixon and Milligan.

1.2 The proposed project consists of the development of approximately 2,500 sq m of new waterfront space for the fishing and fish processing industry. The development will comprise five industrial units.

Costs

1.3 The total cost of the project is £14 million. This will be funded through £10 million of non-repayable public grant funding and £4 million of public sector borrowing.

1.4 The present value of non-repayable public sector costs is £10 million.

Benefits

1.5 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts
- Fish industry floorspace – this generates permanent employment impacts

Construction

1.6 The construction of the proposed development is estimated to support 95 gross person years of employment. This employment will generate £4 million in wages (present value) and £7 million of GVA (present value) during the construction phase.

1.7 Taking into account additionality, the construction will support 138 net additional local person-years of employment, supporting wages of £6 million and GVA of £10 million discounted to present values.

Fish processing floorspace

1.8 The development will create approximately 2,000 sq m (NIA) of fish-industry related floorspace. This will support approximately 44 gross direct jobs. These jobs will generate £36 million in wages and £79 million of GVA discounted to present values over a 60-year period.

1.9 Taking into account additionality, the development on the Whiterock site will support 40 net additional local FTE jobs, supporting wages of £33 million and GVA of £71 million discounted to present values over 60-years.

Table A Quantified benefits of Oxen Cove, Brixham

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	95	138
Wages	£3.9 million	£5.7 million
GVA	£6.6 million	£9.6 million
Permanent impacts		
Jobs	44	40
Annual wages	£1.5 million	£1.3 million
Annual GVA	£3.2 million	£2.9 million

1.10 The proposed development is also anticipated to generate other non-quantified benefits in Torbay and Brixham, including:

- Supporting the strategic objectives of promoting good quality jobs in Torbay and supporting one of the area's key sectors.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

1.11 The present value of non-repayable public costs is £10 million and the present value of benefits is estimated at £38 million. The benefit to cost ratio is therefore assessed as 3.8, which is considered very high value for money.

3.3 Climate Impact Assessment

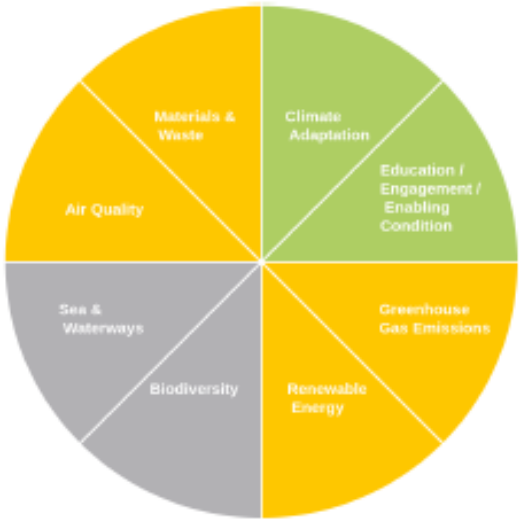
Overview:

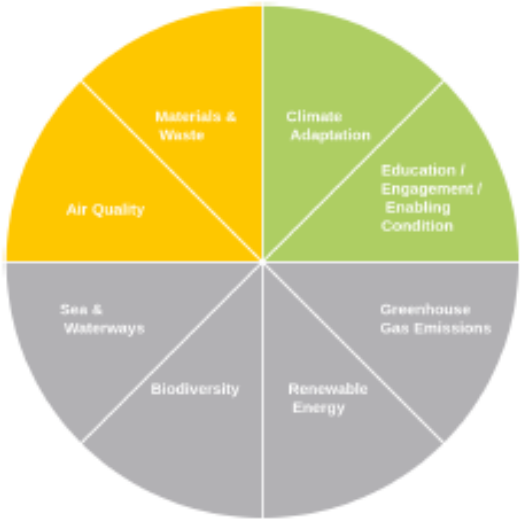
The proposed development has been designed to minimise its environmental and carbon impact through the incorporation of low-carbon technologies, including air source heat pumps and roof-mounted solar photovoltaic panels. Given the site's limited ecological and green space value, the development is not expected to result in any significant long-term impacts on biodiversity or natural habitats. The scheme has been developed in accordance with relevant planning policies and sustainability requirements. Any temporary environmental impacts arising during the construction phase will be managed and mitigated through appropriate construction and environmental management plans implemented by the appointed contractor. Opportunities exist to further enhance the scheme's sustainability credentials through the potential future adoption of water source heat pump technology, subject to the operational requirements and agreement of future occupiers. Overall, the development is anticipated to have a minor negative impact with potential to reach a neutral climate impact.

Overall Mitigation Budget (£):

The following infographics provide an overview of the climate impact areas assessed for the Oxen Cove - OBC, covering Greenhouse Gas Emissions, Climate Adaptation, Education/Engagement/Enabling Conditions, Materials & Waste, Air Quality, Sea & Waterways, Biodiversity and Renewable Energy.

Together, they illustrate the full range of environmental considerations integrated into the project's assessment. This visual summary supports clear comparison across impact themes and informs strategic decision-making throughout the project's development.:





4 Financial Case

4.1 Introduction

Total Development Cost (TDC) for the scheme is projected at £13.309m (excluding disposal cost)

The TDC is proposed to be financed by a combination of funding streams and financial instruments:

- Capital Grant Funding
- Council PWLB borrowing (50 year loan)

The net revenue (from rental receipts) generated from the completed asset will be used by the Council to service the PWLB Borrowing

4.2 Spend to date

The Total cost to-date (end Sept 26) for the project is £1.032,394m

This has delivered the following:

- Pre-Planning Application engagement with the LPA
- Development of the scheme and the Submission of the Full Planning Application for the preferred scheme
- Engagement with potential occupational tenants
- Design development up to RIBA Stage 3
- Further surveys and investigations to derisk the scheme
- Procurement of a Contractor by Torbay Council and finalisation of the Pre-Construction Services Agreement

4.3 Costs for procurement phase

Table 4 shows the costs to complete the procurement phase.

Cost description	Value (£)	Comments
Design costs	£475,000	Approx 50% PSCA allows for RIBA Stage 4 plus some contingency.
Seawater -Design and Licencing	£107,000	

Professional Fees to Contract Award *(Business case costs)*	£332,000	Fees: Procurement, client design and NEC consultants, TA (inc DM, PM) Q4 and Q1: £240,000 (Q4 and Q1) Surveys £50,000 (Q4 and Q1) Planning £42,000 (Q4 and Q1)
Marketing & Letting	£62,500	
Design Development Risk	£231,245	From Cost Plan. Note that this excludes any Torbay Council risks and risk associated with seawater design
Facilitating / demo	£50,000	
Total	**£1,257,745**	Budget holder: Tim Jones Budget to be requested Excludes TC VP costs, see below
Vacant Possession	£297,000	Torbay VP, cliff pre-con costs.
TOTAL	**£1,554,745**	

Table 5 – Procurement & Tech Design Phase Costs

4.4 Capital costs

4.4.1 Approach to cost estimate

Future development costs have been calculated on the following basis:

Planning Cost: based on advice from the Planning Consultant (Turleys) .
Construction Cost: based on cost plan from Cost Consultant (Coreus)
Fee Cost: estimates based on fee quotations or industry fee benchmarking

4.4.2 Cost estimate

Table 5 shows an estimate of the total capital cost to deliver the scheme.

Cost description	% of main contract	Value (£)	Comments

Enabling Vacant Possession	N/A	£1,450,000	Securing vacant possession of the site Cliff stabilisation Works
Planning	3%	£236,651	Planning Application
Detailed design	4.5%	£357,100	RIBA Stage 3 (Spatial Coordination) Including Planning / OBC
Technical design	6.3%	£500,000	Procurement RIBA Stage 4 (Technical Design) / FBC
DM/PM	8%	£633,221	DM/PM/Cost/NEC
Other Fees		£444,500	
Main Contract		£7,907,575	Build cost including Inflation
Risk	19.7%	£870,000	Employer change risk contingency
Contingency		£693,735	Construction and DD risk contingency
SI/Surveys		£110,000	
Disposal		£0	Disposal costs excluded as not required
Finance		£106,113	Short-term interest cost
Total		**£13,308,895**	

Table 6 – Capital Costs

4.4.3 Spend profile

Table 6 shows the anticipated spend profile for the capital costs.

£	Spend to date	2026/27	2027/28	2028/29	2029/30	Total
Costs	£1.032m	£2.302m	£9.324m	£0.651m	£0	£13.309m

Table 7 – Spend Profile

4.4.4 Funding

Table 11 shows the funding sources that are anticipated to be used to deliver the project.

Funding stream	Amount	Budget holder	Spent/committed	Remaining

LRF Grant	£11,200,0000		£1,032,394	£10,167,606
PWLB Borrowing	£1,988,153		£0	£1,988,153
Interim Income	£120,743		£0	£120,743
Total	**£13,308,896**		**£1,032,394**	**£12,276,502**

Table 8 – Funding Sources

4.5 Ongoing costs

The operational costs, revenue generation and debt service are embedded in the overall financial model for the scheme.

Refer to Appendix E: Development Appraisal

In principle, the operational and maintenance costs of the completed scheme are recovered via the service charge to the occupational tenants.

4.6 Income

The current position on tenant engagement and leasing is below.

Oxen Cove: Occupier Engagement

Following the supply of drawings in early September, engagement with the target occupiers has progressed into detailed discussions on operational requirements, specification and commercial terms. Meetings were held with Dartmouth Crab Company, Offshore Shellfish and Rockfish on 11 September to identify the matters requiring resolution before Heads of Terms can be agreed.

Commercial Position

- Dartmouth Crab and Offshore raised no objection to the proposed headline rent of £20 per sq ft.
- All three operators were advised of a modest service charge, which was not challenged.
- Rockfish's commercial position requires further discussion alongside clarification of its fit out costs and the division of landlord and tenant works.
- All terms remain subject to agreement.

Occupier Position:

Dartmouth Crab Company

- The principal outstanding operational issue is its stated requirement for 24 hour access.
- We are pressing for more detailed engagement on working patterns to establish whether the proposed access arrangements create a material constraint and how this could be addressed.

Offshore Shellfish

- Remains comfortable with the proposed commercial structure and has been engaging its investors regarding funding for the move.
- Potential interim accommodation requires consideration, given that its existing occupation is due to end in December.

Rockfish

- Engagement is focused on defining its essential fit out requirements and agreeing the allocation of works and costs between landlord and tenant.
- Its adviser, WT Hills, has prepared an initial cost estimate. Given the extent of works identified, further review is required to establish an agreed specification and firm up the commercial position.
- Potential Fisheries and Seafood Scheme support for fit out costs has been raised with the Council. Eligibility and availability remain to be confirmed.

Next Steps and Timescales

- Secure outstanding operational information from Dartmouth Crab and progress the review of Rockfish's fit out requirements.
- Arrange technical sessions with each occupier once headline tenant fit out spec clarified.
- Progress draft Heads of Terms as the principal commercial and specification matters are resolved. Targeting November 2026.
- Further engagement is required with the relevant funding bodies to establish the extent of (Fisheries and Seafood Scheme) FaSS funding that the scheme and individual operators may be eligible for.

The aim over the coming weeks is to establish agreed principles with each occupier and progress Heads of Terms to agreement, targeting December 2026. Timing remains dependent on timely operator engagement and resolution of the outstanding operational and fit out matters.

Brixham Fish Market

The delivery of Oxen Cove and the transfer of tenants (as per above) to the newly provided space will free up space in the existing Fish Market and present an opportunity to extract additional rental revenue from the space, as set out below. This additional £90k of income has therefore been included in the Development Appraisal for this OBC.

For clarity the Fish Market rental projections assume that Oxen Cove enables occupier relocations and releases space for Brixham Trawler Agents (BTA) to expand its existing operation. The timing and scale of the rental uplifts reflect that sequence, alongside opportunities to regularise occupation and renegotiate expiring leases. The wider financial case also reflects protecting and optimising the Fish Market capabilities and performance.

Rental growth context

2027–2029 – regularisation and stepped rents
Nine interests at the Fish Market present an opportunity for regularisation, representing 16% compared with 28% in Paignton and 39% in Torquay. We assume formal lease arrangements are agreed and the rental reversion captured gradually through stepped rents, generating annual increases of approximately £10k–£15k.

2028–2029 – Oxen Cove delivery and relocation
We assume completion and handover to occupiers in 2028, followed by fit-out and actual relocations in 2029. These moves release harbour-facing units at the existing Fish Market for letting to BTA, providing the additional space needed to increase capacity, improve efficiency and expand its operational capabilities.

2030–2032 – additional accommodation and lease renewals
Eight BTA leases expire during 2030, including the main Fish Market lease. This creates the opportunity to negotiate rents across its existing accommodation alongside terms for the additional space. Successive annual increases of £47.5k, £48.2k and £47.5k are assumed over 2030–2032, building towards full ERV by 2032. The stepped approach allows time for mobilisation, fit out and realisation of the benefits of the expanded operation to come through.

Without Oxen Cove

The 2030 lease expiries would still provide an opportunity to negotiate higher rents but won't allow us to hit the ERV's reported. BTA would remain constrained by its existing footprint, limiting the operational improvements and capabilities which are key to unlocking the forecast rental growth. We would therefore expect more modest increases, indicatively £20k in each of 2030, 2031 and 2032.

Both scenarios retain the same rental assumptions through 2027 - 2029:

Rental income impact	**With Oxen Cove**	**Without Oxen Cove - indicative**
2030 increase over previous year	c. £50k	c. £20k

2031 increase over previous year	c. £50k	c. £20k
2032 increase over previous year	c. £50k	c. £20k
Annual rental income added by 2032, compared with 2029	**c. £150k**	**c. £60k**

The expansion and optimisation enabled by Oxen Cove supports approximately £90k of additional rental income over the three year period, as occupiers relocate, BTA takes additional space and existing leases are renewed.

By 2032 the estimated annual rental income reaches approximately £430k assuming Oxen Cove is progressed, compared with approximately £340k if it does not proceed.

Without the additional space unlocked by delivering Oxen Cove and the continuation of a constrained and comparatively inefficient set up, a lower rental value is realisable, reducing the longer term income potential by approximately £90k per annum.

4.7 Tax considerations

Are there any tax considerations or arrangements which need to be identified. Speak to a member of the finance team or **Sarah.Davis@torbay.gov.uk** *to populate this section.*

4.8 Financial summary

	Spend to date	Forecast to complete	Risk Budget	contingency	Total Budget
Total Scheme	£1.033m	£10.712m	£870k	£694k	£13.309m
In Phase (To OBC)		£1.555m	£231k	£inc	£2.819m

Table 9 – Financial Summary

4.9 Affordability risks

Key Affordability Risks:

Vacant Possessison/Enabling Cost: The Vacant Possession costs were initially budgeted for the SOC. These costs included allowances for removal of all existing buildings and storage items on the site, decommissioning of existing services, securing relevant approvals on the use of the site

from a car park to enable construction etc to provide a vacant site for the Contractor to have access to the site. These costs also include allowances for the stabilisation of the cliff and potential road improvements. Some of these works will continue during the construction stage.

Sensible allowances have been provided in the appraisal based on the Torbay Council progress in leu of any formal cost update and to manage going forward.

Notice was given in the Summer by Torbay Council for Vacant Possession items. It transpires cost allowances appeared to be considerable more than will be included, and thus these have been adjusted with Torbay Councils knowledge.

Construction Cost: The design of the scheme is currently at RIBA 3 (Planning/ Spatial Coordination) stage and will require significant further development (via a PCSA process to crystallise a firm construction cost). Robust risk allowances have been included in the current cost plan and appraisal to manage this risk.

Occupational Tenant Rents: These will be subject to agreement with the potential Tenants. Engagement with the preferred operators is ongoing.

PWLB Interest Rates: These rates are set by the DMO and are largely subject to the current Gilt rates.

Seawater: Current Development Appraisal does not include the construction of the seawater infrastructure. It is subject to rental income covering costs. These negotiations are to take place with tenants and could be compromise the lease deal. The seawater construction cost is presented as a risk in the Risk Register.

5 Commercial Case

5.1 Introduction

The procurement officer for this project is Channelle Busby via Chris Bartlett

The following procurement has been identified for the project delivery. Potential ongoing contracts for repairs and support will be developed in the next stage.

- Principle Contractor (for the main works)
- Contractor for the cliff stabilisation works
- Vacant Possession (demolition of existing prefab buildings)/ Enabling works (alternative car parking arrangement)

5.2 Output based specification

The Scope of the Main Contractor was set out in Oxen Cove Outline Contractor Tender Information, dated March 2026. Below is the extract of the Works to be Delivered by the Main Contractor:

- Review and input into the Full Planning Application
- Contractor design, Post Stage 3
- CDM Principal Designer role
- Building Regulations Principal Design role
- Demolition of existing units post VP TBC: Matt Reeks and Ollie Parker-Ford to confirm.
- Site set-up, hoarding and security etc.
- If required, liaise with SWW with regard to working within the easement of the 400mm rising main that runs across the site.
- Coastal Path diversion - TBC
- Construction of 4 new industrial units and relocation of Unit 5.
- Full building works:
    - Substructure:
        - Foundations and associated contamination removal
        - Ground floor construction and slab thickenings.
        - Drainage
    - Superstructure: Primary structure including mezzanines.
        - Local internal partitions (TBC)
    - Cladding, elevations, glazing
        - Roofing (potential for PV TBC)
    - M&E:
        - All incoming utilities connections and meter installs. (Electricity, water, gas TBC)
        - Plant room(s)

        - Multiple, incoming sea water inlets and associated MEP and obtain MMO licence if required or temporary solution.
- Where required, obtain appropriate licences for road closures for abnormal deliveries or activities to facilitate the build.
- Works associated with BNG.
- Submit all information to discharge planning conditions and comply with all planning requirements and conditions.
- Testing & Commissioning
- H&S File / O&M documentation
- External Works
    - Hard landscaping, bollards, barriers, street furniture, local access roads, yards.
    - Associated contamination removal.

The Scope for the contractor to carry out the cliff stabilisation is based on the Design Report produced by Red Rock dated September 2026. However, the final scope is still to be determined. It is noted that the procurement route for these works has been discussed and subject to the final design and cost (working within the available budget). However, due to ecological restraints to the cliffs and the presence of bats, the works are most likely now going to take place concurrently with the main works. Therefore, it has currently been agreed that once the Scope of these works is finalised it will be instructed into the Main Contractor.

The Scope for the Main Contractor excludes activities associated with Vacant Possession (demolition of pre-fab buildings) and enabling, which is the responsibility of Torbay Council

5.3 Market analysis

Set out below is the schedule, updated from SOC, showing the basis of the assumptions for the input metrics to the Development Appraisal:

Metric	Data Source/Basis of Calculation
Acquisition Cost	NIL acquisition costs assumed due to TC land ownership.
Construction Cost	Based on RIBA 3 cost plans prepared by the Cost Consultant (Coreus). The costs have been compared with Classic Builders own cost plan and within allowable tolerances.
Planning Cost	Planning costs incurred have been utilised.

Professional Fees	Cost estimates based on quotations from the core team along with benchmark data from other projects. ECI/PCSA fee quoted by Classic Builders which is built up from quotes from the consultant design team.
Finance	The required debt finance is based on long-term PWLB borrowing by TC.
Commercial Rental Values	Estimates, informed by market research and engagement with the potential occupiers of the projects.

5.4 Delivery approach

The delivery intended for this scheme is a design and build approach where the contractor undertakes to take on the full design responsibility via a Pre-Construction Services Agreement commencing at the start of RIBA Stage 4 and delivery the construction works.

5.5 Procurement routes considered

Required output	Description of procurement route	Advantages	Disadvantages
Asbestos removal & Demolition	To be included within the main contract	• Included with main contractor procurement	• Contractor's OHP uplift
Main Construction	Framework call off from PAGABO	• Quicker timeframe (3 months) • Has several local contractors • Set fees & cost assurance	• Potentially lose value for money • May end up with non-local contractor • Difficult to gauge costs upfront
	Full competitive tender	• Potentially deliver best value for money • Set locality requirements & social value • Include maximum value	• Prolonged timeframe which jeopardises delivery timescales (9 months) • May not get sufficient tenders

Table 10 – Procurement Options

5.6 Preferred procurement route

The preferred procurement route is a two-stage design and build contract via a directly appointable Framework.

The scheme presents several complex constraints that need to be fully coordinated with construction logistics, methodology with many interfaces. The success of the delivery of the scheme requires early contractor engagement and for the contractor to take on the responsibility of the design and coordination, to factor in any design complications that may be a requirement of the complex constraints.

Process:

- Via a Pre-Construction Services Appointment via the Pagabo framework. This appointment route is the quickest route and most appropriate due to the aggressive programme and funding spend deadline.

Timescale:

- Procurement timescale: In progress, circa 5 months (including ECI)
- Pre-construction: 3 months from OBC (inc. drafting and agreeing contract)

ECI.PCSA:

- The ECI/PCSA is an open-book process whereby a contract sum is established by tendering all the construction works packages to the supply chain and applying pre-procured rates for Preliminary Costs and OH&P to the aggregate of the package costs.
- It is also necessary to have the process/output audited by a 3rd party cost consultant to confirm the output was market tested and VfM. This service will be employed directly by the Council, and the proposal is to direct award to Coreus, based on their existing (very detailed) knowledge of the project already gained through the appointment by WDM.
- The fee for the ECI/PCSA services will be payable to the Contractor under the PSCA and has been ratified by Coreus (3rd party RICS accredited cost consultant/QS).

The arrangements above will, however, necessitate an incremental approach to the future production of the Full Business Case (FBC) for the scheme as follows:

OBC

- ECI/PCSA with Classic Builders placed through the Pagabo Minor Construction Works Framework.

FBC

- Final contract details for the Main Works Contract

Following completion of the RIBA Stage 4 design and any further surveys and investigations the Main Contract could be finalised and the Main Contract placed through the same.

5.7 Contractual arrangements

Cost Consultant & NEC Project Manager* and Supervisor

- Client: Torbay Council
- Supplier: Coreus / TBC by TC
- Form of Contract: Direct appointment via a framework using framework terms or Council short form service contract
- Approximate Value: £15,000- £21,000 for ECI/PCSA period & £90,000-£106,000 for the Construction Period (anticipate within threshold service contract)
- Duration: 23 months (or full duration of ECI/PCSA and construction)
- Payment: Monthly
- * Subject to the capacity of Torbay Council staff availability

ECI/PCSA

- Client: Torbay Council
- Supplier: Classic Builders
- Form of Contract: Pagabo Minor Works PCSA
- Approx Value: £400,000
- Duration: Circa 4-5 months
- Payment: Monthly

Main Building Contract

- Client: Torbay Council
- Form of Contract: NEC4 Option A
- Approx Value: circa £8-10m** (Total including PCSA)
- Duration: Circa 12 months (to be confirmed via PCSA process)
- Payment: Monthly (based on valuations)

**The additional works associated with the provision of seawater infrastructure is under review. During the next stage the seawater design will be developed, the costs established through a quantified measure and the procurement route is to be reviewed.

5.8 Contract management

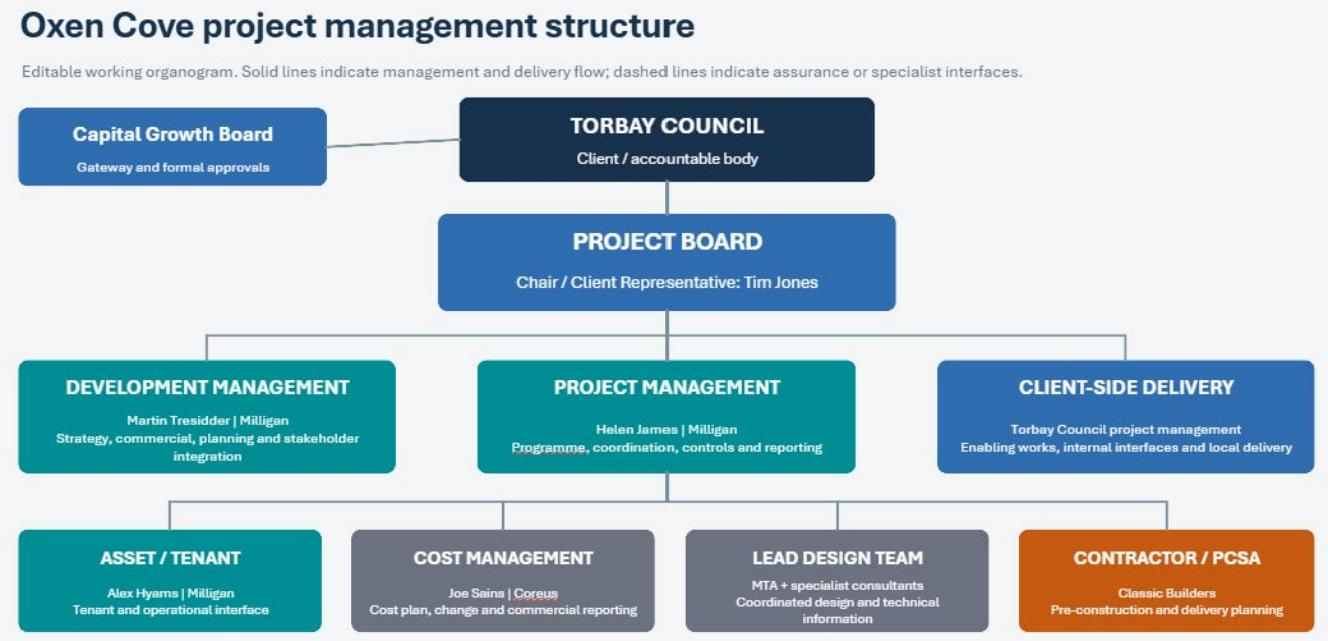
Up to the point of commencement of the procurement process for the Building Contracts, the development process will be managed by WDM under a PDA (as has been the case up to now).

The Council have taken procurement responsibility of the main contract supported by WDM Development Director and Snr Project Manager.

The form of contract utilised for the construction will be an NEC4 form of contract providing:

- Extensive shared experience in delivering schemes under this form of contract.
- Provides cost certainty.
- Contract utilised across the market for complex schemes.
- Straightforward contract administration working in a collaborative manner.

Through discussions with the Council stakeholders the below management structure will be based on Schedule 1, Torbay Council Regeneration Partnership Roles and Responsibilities by Milligan (WDM). Schedule 1 has been shaped based upon the utilisation of an NEC4 Option A Contract. This form of contract demands unique roles which Torbay Council have a duty to ensure are met to ensure the efficient running of the contract and mitigation of risk.



Note – the identified resources are to be confirmed by Torbay Council

5.9 Social value

On the formation of the Regeneration Partnership a Legacy Board was formed to create a structure of how social value and legacy would be shaped and delivered. The group separated these elements into three distinct areas to allow control of the outputs.

- Placemaking – Shaping places and ensuring the built form we bring forward is suitable for current and future generations.
- Social Value – Ensuring our works and actions maximise the positive impact to our communities.
- Legacy – Ensuring all decisions are made with shaping the future prosperity of the Bay.

TC SV Theme	Sub-theme	Outcome	Output / Metrics
Community & People	*Community Cohesion & Safety*	*Community Safety & Crime Prevention*	*Raising awareness of domestic abuse and crime prevention* *Community safety awareness sessions*
		Inclusive Engagement	*Co-designed local projects or events*
		Community Initiative support	*Donations/support for community initiatives* *Volunteering hours supporting community projects*
	Employment, Inclusion & Skills	*Access to employment opportunities*	*Job starts for priority groups* *Local residents hired*
		Skills, Training & Qualifications	*Apprenticeship and T Level placement weeks* *Training leading to recognised qualifications* *Digital inclusion and essential skills training*
		Careers Education, Information, Advice & Guidance (CEIAG)	*Careers IAG hours in schools and colleges* *Careers talks, curriculum support and school outreach* *Mock interviews, CV support and mentoring*
		Inclusion for Under-represented and Priority Groups	*Employment and training for under-represented groups*
		In-Work Support, Retention & Progression	*Coaching support through the first weeks of work* *In work coaching for new starters* *In work progression support*
	Health & Wellbeing	*Health & Wellbeing*	*Health and wellbeing interventions* *Wellbeing support for employees*

	Inclusion, Equalities & Vulnerable Groups	*Improved Equality, Diversity & Inclusion Awareness*	*Equality, Diversity and Inclusion (EDI) training hours*
		Fair & Inclusive Recruitment Practices	*Inclusive recruitment practices* *Recruitment into fair working conditions*
		Increased Access & Inclusion for Vulnerable and Under-represented Groups	*Programmes improving digital skills access* *Removing workplace barriers for under-represented groups*
Pride in Place	*Heritage & Culture*	*Heritage & Culture*	*Volunteer hours at heritage sites*
Economic Development	*Inclusive Growth & Tackling Inequality*	*Improved Representation of Priority Groups*	*Actions to improve representation of priority groups*
		Increased Workplace Flexibility & Accessibility	*Flexible working availability*
		Transparent and Fair Pay	*Pay gap reporting*
	Responsible Procurement & Local Business Growth	*Supporting Local Business Capacity & Growth*	*Business mentoring hours for SMEs* *Spend with SMEs and local suppliers* *Spend with VCSEs*
		Supply Chain Opportunities	*Open advertising of subcontract packages* *Supply chain development actions*
	Skills Pipeline & Future Workforce	*Access to Skills and Learning*	*Digital inclusion hubs in libraries/community centres* *ESOL, numeracy and digital capability training* *Residents gaining accredited qualifications*
		Pathways to employment and careers	*Industry placements building future workforce* *Training hours in high-growth sectors*
		Priority group participation	*Outreach to under-represented groups*
Environment and Climate Change	*Active & Sustainable Travel*	*Active & Sustainable Travel*	*Car miles saved* *Low/no-emission miles driven*
	Biodiversity & Natural Environment	*Biodiversity & Natural Environment*	*Conservation volunteering hours* *Habitat creation and biodiversity improvements*

	Environmental Protection & Climate Action	*Improved natural environment*	*Biodiversity improvements and habitat creation*
		Reduced carbon emissions and Net Zero	*CO_2e savings from decarbonisation* *Commitment to Net Zero* *Green transport miles (miles/low-emission miles)* *Low carbon training hours*
		Reduced Waste & Increased Recycling	*Hard-to-recycle waste diverted* *Plastic recycling / single-use plastics eliminated* *Waste diverted from landfill*
		Reduced resource use	*Reducing water consumption*
	Public Realm & Built Environment	*Public Realm & Built Environment*	*Environmental volunteering (litter picks, conservation)*
	Innovation & Future Economy	*Innovation & Future Economy*	*Innovation pilots (low-carbon construction, circular economy)* *Smart building site pilots (sensors, monitoring)*
	Housing Quality, Sustainability & Prevention	*Housing Quality, Sustainability & Prevention*	*Pilot retrofit apprenticeships*

Social value deliverables are to be agreed with the Contractor during the Pre-Construction Services Agreement.

6 Management Case

6.1 Governance arrangements

6.1.1 Governance structure

The governance structure for the project follows the standard Capital Programme approach. This is set out in Figure 1.

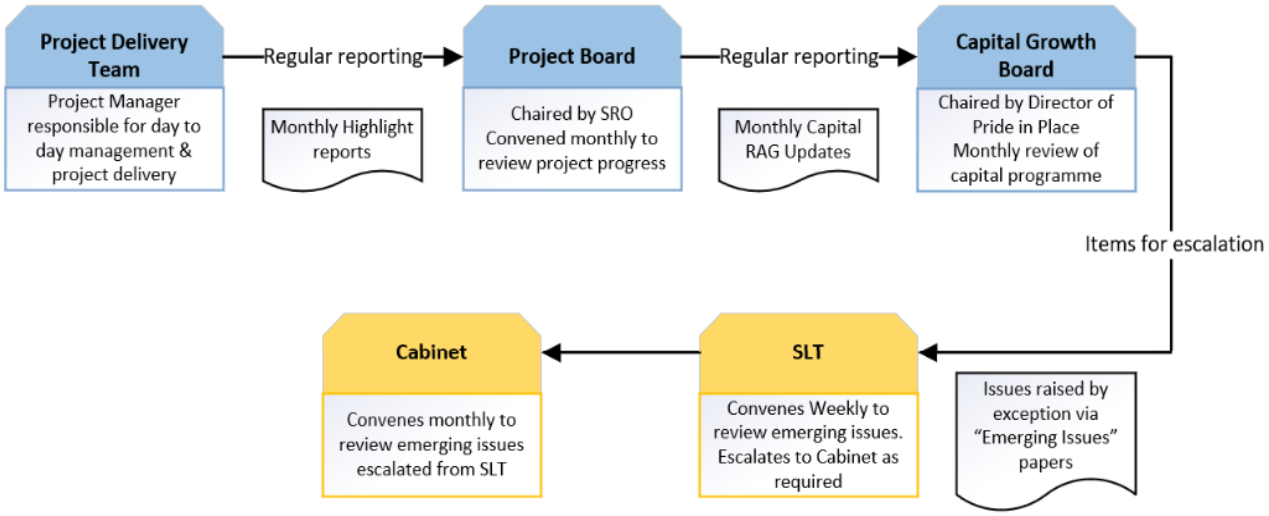


Figure 1 – Capital Programme Governance

6.1.2 Project Board

The Project Board are responsible for ensuring the delivery of the project and managing or escalating any risks or issues to this delivery. The Project Board meet monthly and review the Monthly Highlight Report provided by the Project lead.

Name	Title	Project role
Tim Jones	Head of Engineering	Project Executive /Chair
Richard Davis	Project Manager	Oversight Project Manager
Chris Bartlett	Head of Development & Project Management	Project Oversight
WDM Martin Tresidder	Development Director Senior Project Manager	Project / Development Manager

Name	Title	Project role
Helen James		
Channelle Busby	Deputy Head of commercial Services	Procurement Lead
Paul Matravers	Head of Corporate Finance	Financial Lead
Emily Elliott / Jim Blackwell	Development Services	Planning Officer (as required)
Emma Falconer	Communication and Engagement officer	Communications (as required)

Table 11 – Project Board

6.1.3 Project monitoring and reporting

Project monitoring and reporting is facilitated by the generation of monthly Highlight Reports. These are produced by the Project lead with the support of other key stakeholders and are shared with the Project Board for review in advance of the monthly meeting.

A monthly Regeneration Operation Board will sit above the Project Board.

Quarterly Regeneration Partnership Boards will sit above the Operations Board.

The Capital Growth Board (CGB) receive monthly RAG updates to feed into CGB meetings as a way of escalating any issues or concerns.

6.1.4 Approvals and exception reporting

In phase approvals, including the use of contingency, will be sought from the Project Board as part of the monthly review cycle.

Where there is a requirement for additional funding identified, this will be brought to the attention of the Chief Financial Officer and CGB in the first instance. It may then be decided to escalate further to the Senior Leadership Team (SLT) or Cabinet for a potential budget revision.

6.2 Key milestones

Table 16 shows the key milestones for the delivery of the project, with a more detailed project plan/schedule included in **Appendix A. Project Schedule.**

Key activity	Start date	End date	Comments
Planning Submission			Complete
Planning Approval	14.08.2026	07.12.2026	Target Committee Date
Outline Business Case approved	-	04.11.2026	
Formal procurement commences	30.03.2026	01.06.2026	
Preferred Contractor identified (Procurement concluded)	30.03.2026	01.06.2026	Classic Builders (South West) Ltd
Full Business Case approved	04.12.2026	04.12.2027	Provisional FBC Approval enabling Contract Award Approval via delegated powers.
Contract Award	16.02.2027	01.03.2027	Via Delegated Powers following Provisional FBC
Vacant Possession		15.03.2027	Torbay Council responsibility
Site access		15.03.2027	Reliant on Torbay Council Vacant Possession
Demolition Start (If applicable)	-	-	Minimal. Inc in Construction Period. Assumes tenants removal existing buildings as part of Vacant Possession.
Project Start on Site (Date)	07.04.2027	12.04.2027	
Construction Period (wks)	52 weeks		
Project Finish on Site (Date)		16.05.2028	Completion (Note programme under review with Contractor)

Tenant Fit Out	17.05.2028	12.07.2028	
LUF Funding Spend Deadline		31.03.2028	

Table 12 – Key Milestones

6.3 Resource requirements

Table 17 sets out the resource requirements to delivery of the project.

Name	Title	Project role and responsibilities	Time requirement
Richard Davis	Project Manager	Coordination and facilitation of enabling works and Vacant Possession	2 days per week up to Access Date
Chris Barlett	Head of Development & Project Management	Procurement lead and project oversight	½ day per week.
Chris Davies	Senior Lawyer to Torbay Council	Legal - S106 input and issues pertaining to Vacant Possession	½ day per week up to Start on Site.
Emma Falconer	Communications manager	Comms	½ day per week.
Tim Jones	Head of Engineering	Internal Engineering and project oversight	½ day per week post contract

Table 13 – Resource requirements

6.4 Benefits delivery

Table 18 details the key benefits the project will deliver, as well as how these will be measured.

	Project objective 1 Deliver 2,550m² of new fishing industry accommodation	Project objective 2 Create 40 direct fishing-related jobs	Project objective 3 Improve productivity and operational efficiency	Project objective 4 Rationalise harbour occupations and optimise assets	Project objective 5 Create a fit-for-purpose harbour environment
Benefit	Increased operational and commercial capacity for fishing and marine businesses.	Increased employment and skills opportunities within the fishing sector.	Improved harbour productivity, servicing and business efficiency.	Better utilisation of harbour assets and relocation from temporary accommodation into modern facilities.	Modern harbour infrastructure, improved public realm and enhanced South West Coast Path environment.
Measurement indicator	m² of new operational and lettable accommodation delivered; occupancy rate of units.	Number of direct jobs created and sustained.	Occupier satisfaction; utilisation rates; operational performance indicators.	Number of businesses relocated; proportion of accommodation occupied; harbour estate utilisation.	Stakeholder satisfaction; completion of project outputs; public realm improvements delivered.
Data source to be used	Lease agreements; Harbour Authority records; property management data.	Tenant employment returns; occupier surveys; economic monitoring reports.	Occupier surveys; Harbour Authority operational data; tenant feedback.	Harbour estate records; lease documentation; tenant occupation data.	Project completion records; stakeholder surveys; Harbour Authority and Council monitoring.
Frequency of data collection	At practical completion,	At practical completion,	12 months and 24 months	6 months, 12 months and	At project completion, 12 months post-

	then annually for five years.	then annually for five years.	following occupation.	annually thereafter.	completion and annually thereafter.
Owner	Torbay Council Harbour Authority / TC Asset Management Team.	Economic Development Team and Harbour Authority.	Harbour Authority and TC Asset Management Team.	Harbour Authority and TC Property Team.	Harbour Authority and Project Sponsor.
Comment	Supports expansion of Brixham Fish Market through delivery of four new shell industrial units and supporting infrastructure.	Target of 40 direct fishing-related jobs associated with occupiers of the development.	Expected to reduce operational constraints, improve circulation and create capacity for future growth.	Enables relocation from temporary and informal accommodation into fit-for-purpose premises while improving estate management.	Includes secure yards, improved access arrangements, public realm enhancements, coastal path improvements and infrastructure resilience.

Table 14 – Benefits Delivery

6.5 Risk management

6.6 Risk management

6.6.1 Risk management process

Risks are logged, reviewed and managed using the project Risk Register. The Project lead is the owner of the Risk Register and reviews this on a monthly basis in line with routine monitoring. The key risks are reported to the Project Board who may escalate any 'major' or 'critical' risks to SLT or Cabinet. The highest project risks, and their owners and mitigations, are included in **Appendix B. Risk Register**.

6.6.2 Risk cost

As part of routine risk management, the cost for mitigation actions or the costs of potential impacts are estimated and form a risk budget.

The current risk budgets estimated for the project are as follows:

The budget for any risks which may materialise within the next phase of design is: £231K

The full project risk budget (inclusive of the above in phase risk allowance) is: £694K

Due to the nature of this scheme, there is an additional allowance “Employer Change Risk Allowance” of £870,00 for tenant specific changes that require alteration to the Landlord Specification, namely building works opposed to fit-out works.

Where risks develop into issues, this will be communicated at project board level and upon approval of the board, the relevant risk budget will be released to deliver the mitigations or manage the impacts.

Risks have been calculated via percentage allowances and substantiated in the Risk Register with sensible allowance for time or notional risk where substantiation has not been possible. Refer to the Risk Register Review in Appendix B.

6.7 Communications and stakeholder engagement

6.7.1 Consultation/engagement to date

The project has a range of stakeholders including existing site users, local community groups, statutory consultees, future occupiers and operational partners.

Torbay Council has given particular attention and led the engagement with Brixham Yacht Club, Brixham Junior Yacht Club, University of Plymouth Laboratories, Dalverton Court and local residents. This engagement has been to inform of the development proposals and ascertain limitations and access requirements during construction and during operation. These are to be formally collated and instructed to the Contractor to ensure the relevant restrictions and accessing are included and allowed for in the next stage.

Milligan has had positive engagement with the South West Coast Path with agreement for a temporary diversion during construction.

As part of the planning process the LPA and associated consultees have been engaged in the lead up to submitting the Full Planning Application

Milligan has had positive engagement with future tenants.

6.7.2 Communications plan

A communications and stakeholder group has been formed between WDM, Torbay Council and the Harbour Authority consisting of comms officers and directors/SRO from both parties. This group has been meeting typically on a fortnightly basis to address stakeholder engagement.

The strategy for the public consultation for planning was established and implemented in Q1 and Q2 of 2026. Torbay Council has been leading and will continue the ongoing comms with the Brixham Yach Club, Brixham Junior Yach Club, University of Plymouth Laboratories, existing tenants and local residents.

Milligan has been leading with the engagement for future tenants and there is allowance within the Development Appraisal for tenant specific changes to the Landlord Specification.

This group will establish a strategy for the next and future stages of and implement accordingly.

6.7.3 Stakeholder engagement

Table 19 shows the key stakeholders for the project, their areas of interest and proposed engagement methods.

Organisation/individual	Area of interest	Method of engagement
Brixham Yacht Club	Continued access to marina and harbour facilities, sailing activities, membership requirements, operational impacts during construction	TBC by TC as appropriate
Brixham Junior Yacht Club	Provision of facilities for youth sailing, access and safety, continuity of training and events	TBC by TC as appropriate

University of Plymouth Laboratories	Impact on research facilities and operations, access requirements, building interfaces, future accommodation needs	Email touch points on seawater impacts. Face to face meeting. Face to face updates by TC TBC
Existing Tenants	Business continuity, lease arrangements, relocation requirements, access and servicing, disruption during construction	TBC by TC as appropriate
Future Tenants	Commercial opportunities, facility requirements, lease arrangements, quality and suitability of accommodation	Led by Alex Hyams of Milligan
South West Coast Path Representatives / National Trail Partnership	Maintenance of public access, route connectivity, user safety, visitor experience and environmental considerations	Meetings, correspondence, site meeting as required
Local Community and Residents	Community benefits, access to facilities, construction impacts, economic regeneration	TBC by TC
Harbour Authority / Marina Operator	Operational requirements, marine safety, asset management and future operations, security	Project meetings

Table 15 – Key Stakeholders

6.8 Equalities Impact Assessment

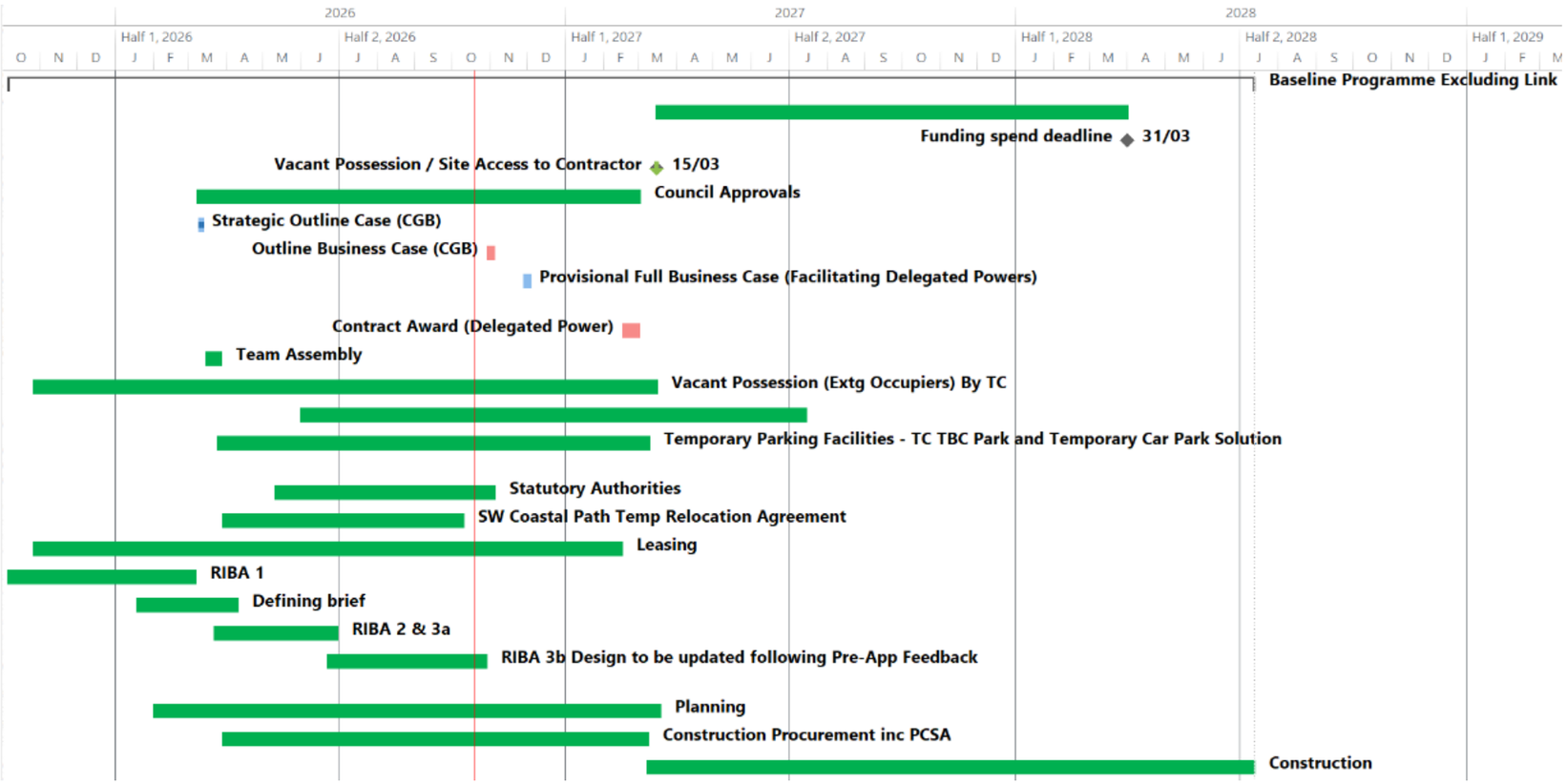
The Council has a public sector duty under the Equality Act 2010 to have 'due regard' to advancing equality of opportunity between those persons who share a relevant protected characteristic and persons who do not share it. The Act also seeks to eliminate discrimination, harassment and victimisation. It is important that you carefully and thoroughly consider the different potential impacts that the decision being taken may have on people who share protected characteristics.

An Equality Impact Assessment (EIA) has been carried out and can be found in **Appendix C. Equality Impact Assessment.**

Appendix A. Project Schedule

Programme note:
Torbay Council responsible for Vacant Possession and Temporary Car Parking Facilities. Specific programmes to be provided to update the Development Programme.

Task Name	Duration	Start	Finish
Baseline Programme Excluding Link	693 days	Mon 06/10/25	Wed 12/07/28
Milestones	261 days	Mon 15/03/27	Fri 31/03/28
Funding spend deadline	0 days	Fri 31/03/28	Fri 31/03/28
Vacant Possession / Site Access to Contractor	0 days	Mon 15/03/27	Mon 15/03/27
Council Approvals	243 days	Mon 09/03/26	Mon 01/03/27
Strategic Outline Case (CGB)	1 wk	Mon 09/03/26	Fri 13/03/26
Outline Business Case (CGB)	1 wk	Thu 29/10/26	Wed 04/11/26
Provisional Full Business Case (Facilitating Delegated Powers)	1 wk	Fri 27/11/26	Fri 04/12/26
Contract Award (Delegated Power)	2 wks	Tue 16/02/27	Mon 01/03/27
Team Assembly	10 days	Mon 16/03/26	Fri 27/03/26
Vacant Possession (Extg Occupiers) By TC	348 days	Mon 27/10/25	Mon 15/03/27
Cliff TBC	280 days	Mon 01/06/26	Wed 14/07/27
Temporary Parking Facilities - TC TBC Park and Temporary Car Park Solution	236 days	Thu 26/03/26	Tue 09/03/27
Statutory Authorities	126 days	Mon 11/05/26	Wed 04/11/26
SW Coastal Path Temp Relocation Agreement	135 days	Mon 30/03/26	Fri 09/10/26
Leasing	328 days	Mon 27/10/25	Mon 15/02/27
RIBA 1	110 days	Mon 06/10/25	Fri 06/03/26
Defining brief	57 days	Mon 19/01/26	Thu 09/04/26
RIBA 2 & 3a	67 days	Mon 23/03/26	Mon 29/06/26
RIBA 3b Design to be updated following Pre-App Feedback	91 days	Tue 23/06/26	Wed 28/10/26
Planning	281 days	Mon 02/02/26	Thu 18/03/27
Construction Procurement inc PCSA	233 days	Mon 30/03/26	Mon 08/03/27
Construction	335 days	Tue 09/03/27	Wed 12/07/28



Development Programme rev 14A OBC issue, dated 20.10.26.

Appendix B. Risk Register

Risk ID	Risk Category	Risk Description	Potential Impact	Status	Existing Controls	Risk Owner	Probability	Impact	Risk (RAG) Score	Further Mitigation	Residual Probability	Residual Impact	Residual Risk Score (RAG)	Budget	Comments
R1	Vacant Possession / Legal	Failure to achieve full and timely vacant possession and tenant decant	Programme delay; increased cost	Live	Early tenant engagement; phased decant	TC	4	5	20	28.10.26 TC confirmed that notice to vacate was served on all current occupiers in June 2026 except Waterdance. Ontrack to vacate by Christmas 2026. Waterdance subject of ongoing discussions with TC and expected to vacate by Feb 2027	3	5	15	£22,600.00	Risk budget per week. Allowance is weekly Time Related Prelim Rate per Classics Joint Cost Plan Rates
R2	Site	Cliff instability / rockfall.	Safety risk; delay; cost	Realised	Surveys; remedial strategy. Cliff remedial works to be carried out within 6 months of Survey Report (June 26). Cliff stability design carried out. Contractor to be procured. Works to be carried out after Vacant Possession.	TC	4	5	20	TC identifying procurement route. 28.10.26 Exclusion zone fence to be maintained until stabilisation completed after VP and programming adjusted to suit other cliff risks.	3	5	15	£10,000.00	Cliff Works allowed below. Notional Risk Allowance, not specifically identified in Cost Plan
R3	Programme	Aggressive SOC programme. Requires design and planning to run concurrent. Design Team may not be able to deliver.	Delay	Live	Regular meetings with the Design Team to look ahead and agree the programme and deadlines to work to.	WDM	4	5	20	28.10.26 Risk realised in RIBA 2 and 3. Risk remains. Contractor leading design in RIBA 4. Design team continuity typically. Contractor aware of	3	5	15	£22,600.00	Risk budget per week. Allowance is weekly Time Related Prelim Rate per Classics Joint Cost Plan Rates

										programme constraints.				
R4	Site	Cliff stabilisation works	Cost increase; extensive works than anticipated; planning implication and delay main works start on site, loss of external yard area.	Live	Geotechnical cliff stability report being reviewed by TC to look at balancing stability with maintenance, extent of works to manage programme and cost. Provisional cost allowance included RIBA 3 Cost Plan subject to quotation and procurement route.	TC	5	5	25	28.10.26 Sufficient funding (£1m) has been allocated to address cliff stability directly behind the Development. Once tender returns have been received from specialists the exact extent and specification for works will be agreed.	3	5	15	£100,000.00	Potential for this allowance to increase by notional 10%. Allowance reflects Cost Plan inclusion per Torbay Council requirements. Still potential for risk to design and other complexities.
R5	Site	Ecology; presence of bats due to site being a commuter route for bats	Delay; additional cost for mitigation measures	Live	Monitor bat activity during vegetation clearance. We did not observe any bats. Carry out bat emergence surveys. Bat roost identified.	WDM / TC	5	5	25	Ecologist reviewing cliff Geotechnical report. Site visit with Geotechnical Engineer, Ecologist, TC and Contractor. Awaiting ecology report on the impact to the cliff design and programme implications, NE licencing. If necessary re-programme the cliff stabilisation works to a later stage of programme to accommodate ecological challenges.	3	5	15	£22,600.00	Risk budget per week. Allowance is weekly Time Related Prelim Rate per Classics Joint Cost Plan Rates. Risk remains and main works to be reviewed.

R6	Programme	Delays noted in risks above (ecology, cliff stabilisation) result in not achieving the LUF grant spend deadline	Delay	Live	Western Ecology producing report to understand what is possible, NE licences and timescales. To be reviewed with the refinement of the slope design in the PSCA and look at programme options, phasing.	WDM/TC	4	5	20	28.10.26 Works involving direct interaction to be programmed to suit ecological constraints. Further clarification and survey work to be undertaken to determine specific permitted dates for works. 28.10.26 OBC Development Appraisal update forecast spending on track for March 28.	3	5	15	£45,200.00	Portion of Design Development Risk Allowance.
R7	Programme	BNG credit is a pre-commencement condition.	Delay	Live	Seawater governing the number of credits and RLB. Review and update BNG metrics where possible / appropriate. Seek to procure BNG credits in readiness for determination, to complete and discharge condition.	WDM	5	2	10		5	3	15	£22,600.00	Delay allowance.

Risk Register Total	**£2,340,475.00**	Note: Only the highest risks shown for OBC. Risk budget allocated to lower residual risks

Cost Plan Risks

Design Development	£231,245.00
Construction risk	£462,490.00
Inflation	£140,379.00
Cost Plan Risk Total	**£834,114.00**

Torbay Council Items

VP risk	£22,600.00
Temporary car parking	£30,000.00
Waterdance VP delay	£22,600.00
Cliff notional risk	£100,000.00
Ecology and cliff design	£52,000.00
Seawater construction (excluded from Cost Plan)	£1,217,075.00
Torbay Council Total	**£1,444,275.00**

Review = Risk Register - Torbay Items	**£896,200.00**

Review costs of £896k approximately align with £834k in the Cost Plan for Design Development, Construction Risk and Inflation Risk.

Some costs in Risk Register are associated with Tenant Change Risk. Therefore general project risks are covered within the Cost Plan risk allowances.

Torbay Council risks are additional and are to be acknowledged and developed in the next stage.

Note the Tenant Change Risk is £870k. This is an additional allowance for tenant specific changes to the Landlord Specification.

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Appendix C. Equality Impact Assessment

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Age	18 per cent of Torbay residents are under 18 years old. 55 per cent of Torbay residents are aged between 18 to 64 years old. 27 per cent of Torbay residents are aged 65 and older.	The commercial space will be designed to support all workers in the fishing industry, ensuring they can undertake their role safely and have job satisfaction. This includes accessible spaces and toilet provision.	Consideration during the design process is required to create a space that supports all workers in the fishing industry, is fully accessible and is a welcoming and inclusive environment. WDM have undertaken tenant engagement, understanding how these businesses operate, work with each other in the harbour and gained an insight in to their employment structure. This information ensures the scheme is designed to continue to support existing and new workers, as well as maintaining the comradery in the fishing industry.	WDM – Delivery design established. Internal design to be completed by Tenant Design Team.
Carers	At the time of the 2021 census there were 14,900 unpaid carers in Torbay. 5,185 of these provided 50 hours or more of care.	No adverse impacts are anticipated. The scheme will be designed to be sympathetic and accessible for all demographics.	Not applicable	Not applicable
Disability	In the 2021 Census, 23.8% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.	The commercial space will be designed to support all workers in the fishing industry, ensuring they can undertake their role safely and have job satisfaction. This includes accessible spaces and toilet provision. The wider scheme will positively impact the surrounding public realm, ensuring the Southwest Costal Path remains accessible and improves the current visual impact of the Oxen Cove site of users and the public.	Consideration during the design process is required to create a space that supports all workers in the fishing industry, is fully accessible and is a welcoming and inclusive environment. The elevational treatment of the building will improve the visual impact on the area, the scheme will mirror the material palette of the existing harbour buildings, tying in with the surroundings. Subject to LPA.	WDM – Ongoing Delivery design established. Internal design to be completed by Tenant Design Team. WDM to confirm in writing the Southwest Coastal Path temporary diversion agreed. Contractor to develop and install signage and maintain liaison with the

			The development improves accessibility and the public realm of the Southwest Coastal Path by: • Maintaining a 2m path width • Incorporated pause places for the public to rest • Improved safety for the public. The level change in front of the building provides a natural segregation from the industrial operational use of the building from the public. For safety reasons the Southwest Coastal Path needs to be diverted temporarily during construction. This duration will be limited to the minimum time to reduce disruption.	Southwest Coast Path throughout the construction period.
Gender reassignment	In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same as their sex registered at birth. This proportion is similar to the Southwest and is lower than England.	No adverse impacts are anticipated. The scheme will be designed to be sympathetic and accessible for all demographics, this includes accessible spaces and toilet provision.	Not applicable	Not applicable
Marriage and civil partnership	Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.	No adverse impacts are anticipated. The scheme will be designed to be sympathetic and accessible for all demographics.	Not applicable	Not applicable
Pregnancy and maternity	Over the period 2010 to 2021, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 63.7 per 1,000) than England (60.2) and the South West (58.4). There has been a notable fall in the numbers of live births since the middle of the last decade across all geographical areas.	No adverse impacts are anticipated. The scheme will be designed to be sympathetic and accessible for all demographics.	Not applicable	Not applicable
Race	In the 2021 Census, 96.1% of Torbay residents described their ethnicity as white. This is a higher proportion than the South West and England. Black, Asian and minority ethnic individuals are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England.	The commercial space will be designed to support all workers in the fishing industry, ensuring they can undertake their role safely and have job satisfaction. This includes accessible spaces and toilet provision.	Consideration during the design process is required to create a space that supports all workers in the fishing industry, is fully accessible and is a welcoming and inclusive environment.	WDM – Delivery design established. Internal design to be completed by Tenant Design Team.

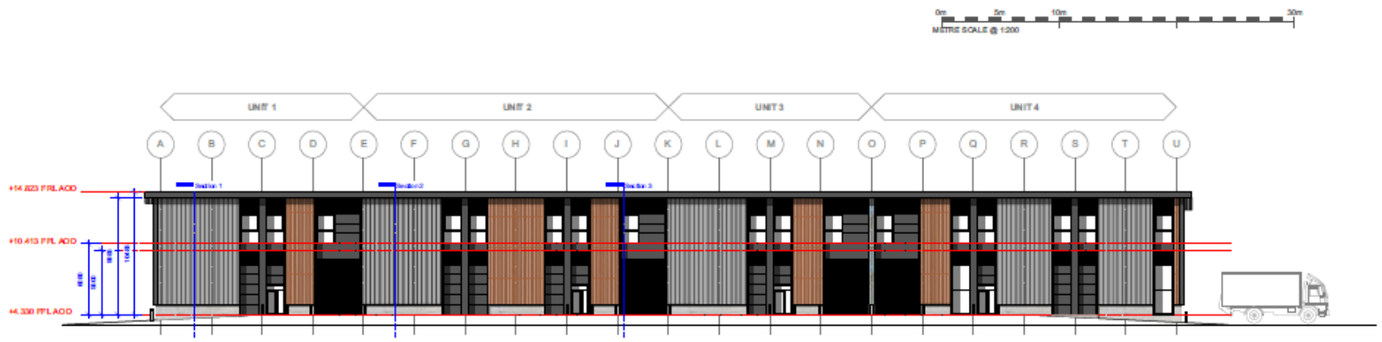
			WDM have undertaken tenant engagement, understanding how these businesses operate, work with each other in the harbour and gained an insight in to their employment structure. This information ensures the scheme is designed to continue to support existing and new workers, as well as maintaining the comradery in the fishing industry.	
Religion and belief	64.8% of Torbay residents who stated that they have a religion in the 2021 census.	The commercial space will be designed to support all workers in the fishing industry, ensuring they can undertake their role safely and have job satisfaction. This includes accessible spaces and toilet provision.	Consideration during the design process is required to create a space that supports all workers in the fishing industry, is fully accessible and is a welcoming and inclusive environment. WDM have undertaken tenant engagement, understanding how these businesses operate, work with each other in the harbour and gained an insight in to their employment structure. This information ensures the scheme is designed to continue to support existing and new workers, as well as maintaining the comradery in the fishing industry.	WDM – Delivery design established. Internal design to be completed by Tenant Design Team.
Sex	51.3% of Torbay's population are female and 48.7% are male	The commercial space will be designed to support all workers in the fishing industry, ensuring they can undertake their role safely and have job satisfaction. This includes accessible spaces and toilet provision.	Consideration during the design process is required to create a space that supports all workers in the fishing industry, is fully accessible	WDM – Delivery design established.

			and is a welcoming and inclusive environment. WDM have undertaken tenant engagement, understanding how these businesses operate, work with each other in the harbour and gained an insight in to their employment structure. This information ensures the scheme is designed to continue to support existing and new workers, as well as maintaining the comradery in the fishing industry.	Internal design to be completed by Tenant Design Team.
Sexual orientation	In the 2021 Census, 3.4% of those in Torbay aged over 16 identified their sexuality as either Lesbian, Gay, Bisexual or, used another term to describe their sexual orientation.	The commercial space will be designed to support all workers in the fishing industry, ensuring they can undertake their role safely and have job satisfaction. This includes accessible spaces and toilet provision.	Consideration during the design process is required to create a space that supports all workers in the fishing industry, is fully accessible and is a welcoming and inclusive environment. WDM have undertaken tenant engagement, understanding how these businesses operate, work with each other in the harbour and gained an insight in to their employment structure. This information ensures the scheme is designed to continue to support existing and new workers, as well as maintaining the comradery in the fishing industry.	WDM –Delivery design established. Internal design to be completed by Tenant Design Team.
Armed Forces Community	In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces. In Torbay, 5.9 per cent of the population have previously served in the UK armed forces.	No adverse impacts are anticipated. The scheme will be designed to be sympathetic and accessible for all demographics.	The design team includes ex-armed forces and reservists, their input has been part of the design process.	WDM –Delivery design established.

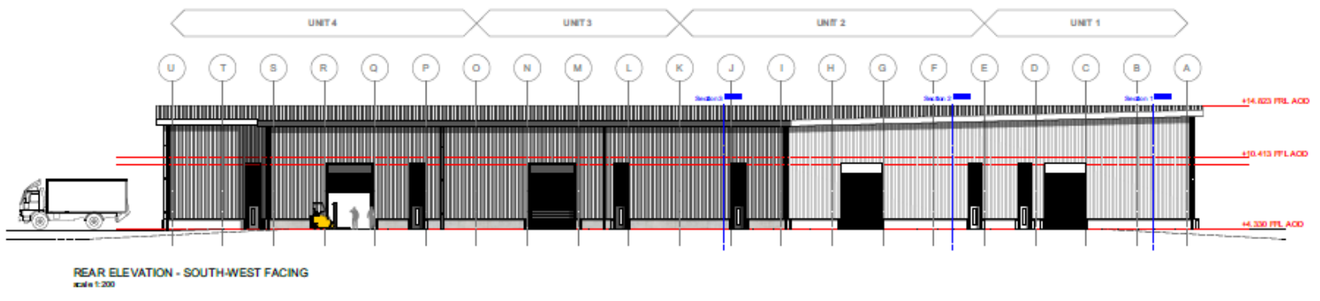
				Internal design to be completed by Tenant Design Team.
Additional considerations				
Socio-economic impacts (including impacts on child poverty and deprivation)		The scheme provides circa 2,900 2624 M2 of operatable commercial space to enhance the expansion and operation of Brixham Fish Market and support the efficiency of all market users and fish processing businesses.	The additional commercial space supports the expansion of the Brixham Fish Market. The market has experienced sustained and material growth over the past five years, reflecting both increased volumes landed and strengthening market values. The total value of fish sold through the market has increased from £35.8m in 2020 to £77.7m in 2025, representing a clear upward trajectory notwithstanding short-term fluctuations in individual years. However, growth has been hindered by lack of space and business efficiency. The new development will provide an additional 40 jobs. The scheme aids this economic growth and in turn supports all market users. All operators in the Oxen Cove development will see business efficiency which encourages growth and job creation. WDM team have undertaken tenant engagement to understand how the fishing industry operates and how the businesses will utilise the space.	No further action required.

			These discussions ensure the scheme will be fit for purpose and meet business needs.	
Public Health impacts (Including impacts on the general health of the population of Torbay)		Pollution	The scheme supports the efficiency of existing operation in the harbour. The efficiency will allow for smoother and safer transport movements in and around the harbour and Brixham area and limit the number of arctic lorries waiting for space in the market, producing CO2 emissions. There are two tenants within the new commercial units that improve the fishing industries impact on the environment. One follows sustainable fishing practices, and the other undertakes marine maintenance, limiting the waste produced. The scheme and improved commercial area allow these practices to expand, widening the positive impact.	WDM – Ongoing tenant negotiations.
Human Rights impacts		No human rights impacts are anticipated. The tenants of the scheme are all registered companies and will adhere to employment law.	Not applicable	Not applicable
Child Friendly	Torbay Council is a Child Friendly Council and all staff and Councillors are Corporate Parents and have a responsibility towards cared for and care experienced children and young people.	No adverse impacts are anticipated. The scheme will be designed to be sympathetic and accessible for all demographics.	Not applicable	Not applicable

Appendix D. Design Pack



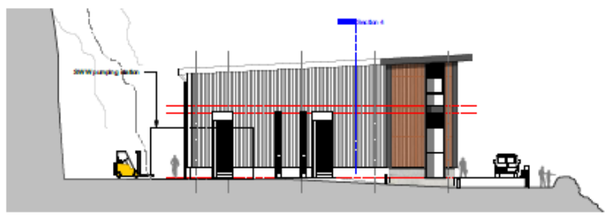
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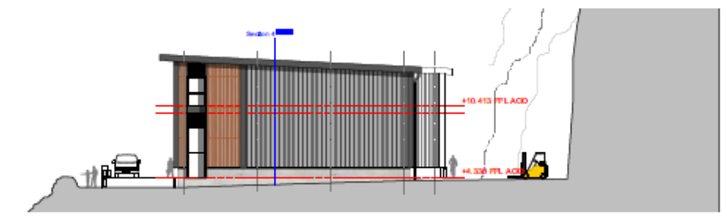
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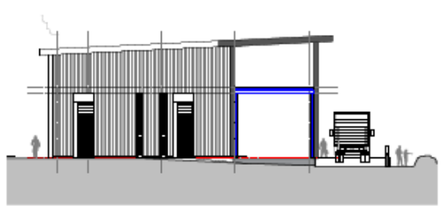
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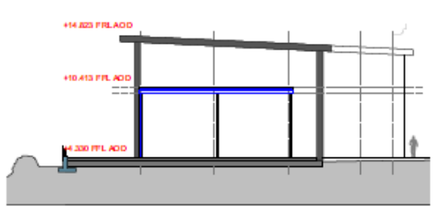
SIDE ELEVATION - SOUTH-EAST FACING
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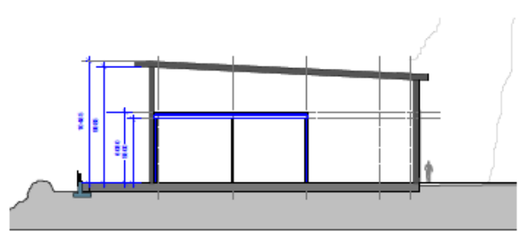
SIDE ELEVATION - NORTH-WEST FACING
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SECTION 1
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SECTION 2
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SECTION 3
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WILLMOTT DIXON MILLIGAN LTD

SHELLFISH VILLAGE
OXEN COVE
BRIXHAM

PROPOSED ELEVATIONS + SECTIONS

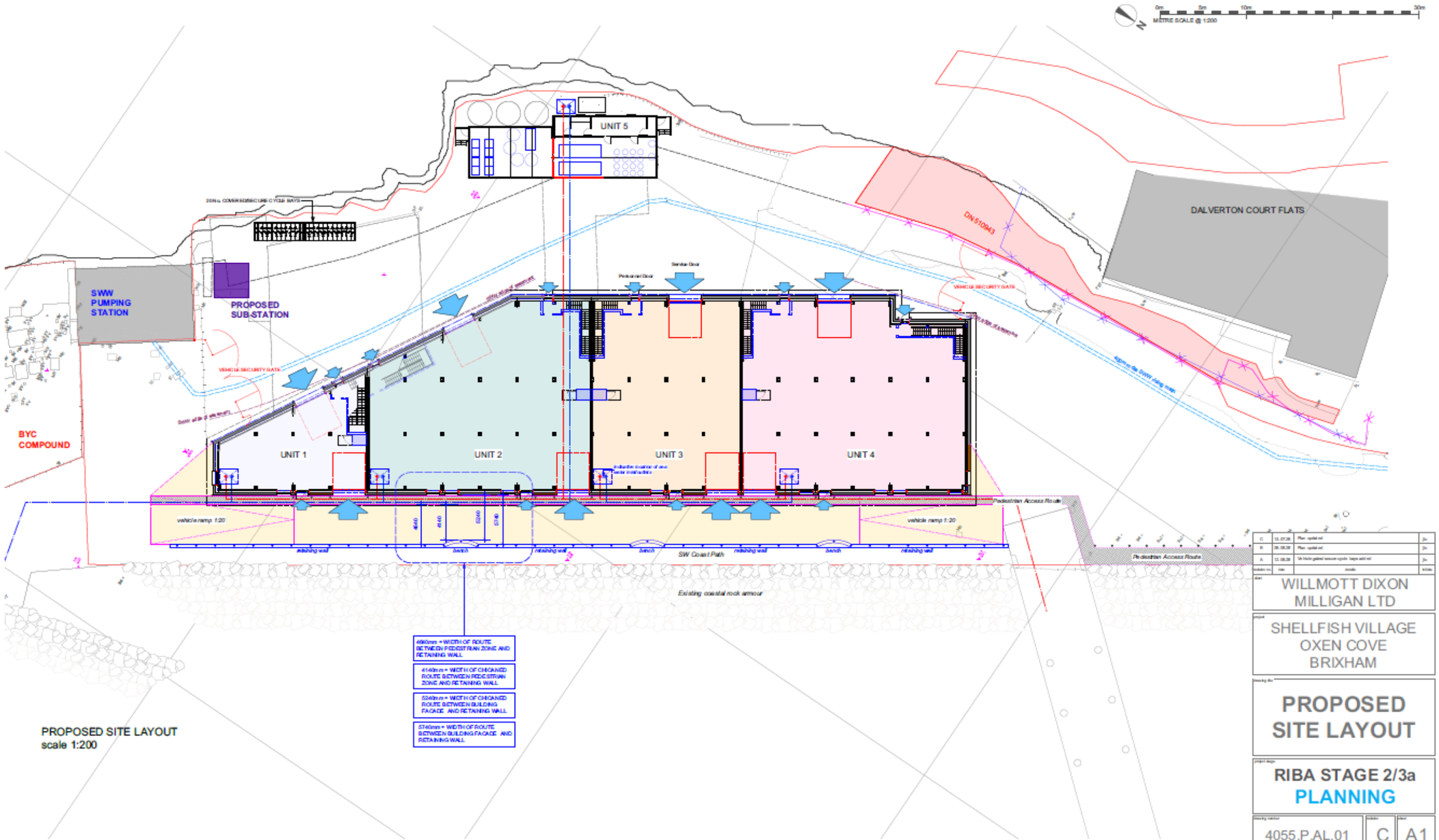
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PLANNING

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MTA Chartered Architects Ltd

2nd Floor Office
16A Fore Street Bideford Devon TQ6 8DS
e-mail: enquiries@mtaarchitects.co.uk
web: mtaarchitects.co.uk
tel 01803 859010
tel 01803 859007

RIBA Chartered Practice



DRAFT FOR COMMENT

Appendix E. Development Appraisal

Investment Value versus Development Cost (@PC+1 Year)

SUMMARY

KEY METRICS — **Brixham Oxen Cove**

Scheme Information

Development Period	3.5	Years
Debt Interest rate	5.00%	Per Annum
Exit Point	PC+	1 Year

Revenue Generating Areas

	Area	£/sq ft	% of Total
Industrial Units	38,481	11.78	100.0%
Total Area	**38,481**	**Sq Ft**	**100.0%**

Income & Investment Value

	Net Revenue	Average Yield	Cap Value	% of Total
Industrial Units	£453,272	7.500%	£6,043,627	83.4%
Brixham Fish Market	£90,000	7.500%	£1,200,000	16.6%
Totals	**£543,272**	**7.50%**	**£7,243,627**	**100%**

Rent Free Periods	£0
Purchasers Costs	-£458,028
Capital Sales/Income	£11,200,000
Interim Income (inc void costs)	£120,743
Net Realisation	**£18,106,342**

Development Costs & Outlay

		% of Total
Acquisition / VP Costs	£1,450,000	10.8%
Planning Costs	£236,651	1.8%
Construction Costs	£9,971,310	74.3%
Other Construction	£110,000	0.8%
Professional Fees	£1,334,821	9.9%
Marketing & Letting	£100,000	0.7%
Disposal Costs	£117,856	0.9%
Capital Incentives	£0	0.0%
Finance Costs	£106,113	0.8%
Totals	**£13,426,751**	**100.0%**

Profit & Performance (Cost vs Value at Exit)

Profit	**£4,679,591**
Profit on Cost %	**34.85%**
Equity Required	**£0**
Peak Debt	**£2,067,665**

Profit & Performance (Revenue Vs Debt Service)

Long Term Debt (Annuity)	**£1,988,153**
Revenue Vs Debt Service (Yr1)	**£354,969**
Revenue Vs Debt Service (Yrs 1-5)	**£1,954,707**
Revenue Vs Debt Service (Yrs 1-10)	**£3,664,460**

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RENT & INCENTIVE SCHEDULE

UNITS				LETTABLE AREA (SQ FT)							BASE RENT: RENTAL RATES (SQ FT)								INFLATION					INCENTIVES			
Unit No.	Block	Status	Tenant	Yard	GF	+1	+2	+3	+4	Overall (Net)	Yard Rate	GF Rate	+1 Rate	+2 Rate	+3 Rate	+4 Rate	Overall Rate	Current ERV	Annual Rent Inflation		Years	Factor	Projected ERV	Rent Free	Rent Free	Capital	Capital	TOTAL
																								months	£	Months	£	INCENTIVE
Industrial Units				**Yard**	**GF**	**+1**	**+2**	**+3**	**+4**	**Total**																		
Unit 1		Available		2,433	1,765	1,690	0	0	0	5,888	£0.00	£20.00	£10.00				£8.87	£52,205	3.0%	1.030	0	1.000	£52,205	9	£39,154		£0	£39,154
Unit 2		Available		4,736	5,360	3,552	0	0	0	13,649	£0.00	£20.00	£10.00				£10.46	£142,731	3.0%	1.030	0	1.000	£142,731	9	£107,048		£0	£107,048
Unit 3		Available		1,615	4,037	2,368	0	0	0	8,019	£0.00	£20.00	£10.00				£13.02	£104,411	3.0%	1.030	0	1.000	£104,411	9	£78,308		£0	£78,308
Unit 4		Available		1,453	5,920	3,552	0	0	0	10,925	£0.00	£20.00	£10.00				£14.09	£153,925	3.0%	1.030	0	1.000	£153,925	9	£115,444		£0	£115,444
Unit 5		Available		0	0	0	0	0	0	0								£0	3.0%	1.030	0	1.000	£0	9	£0		£0	£0
Totals				**10,237**	**17,082**	**11,162**	**0**	**0**	**0**	**38,481**							**£11.78**	**£453,272**					**£453,272**		**£339,954**		**0**	**339,954**
Brixham Fish Market																												
BTA Leases Uplift		Available															£90,000	£90,000	2.0%	1.020	0	1.000	£90,000	0	£0	0	£0	£0
Totals										**0**								**£90,000**					**£90,000**		**£0**		**£0**	**£0**
TOTALS																		**£543,272**					**£543,272**		**£339,954**		**£0**	**£339,954**

Revenue Versus Debt Service Schedule

Industrial Units				Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20
REVENUE																							
Gross Revenue (inc initial letting voids)					£453,272	£453,272	£453,272	£468,003	£512,197	£512,197	£512,197	£512,197	£528,844	£578,783	£578,783	£578,783	£578,783	£597,594	£654,025	£654,025	£654,025	£654,025	£675,281
% Void in Year					0%	0%	0%	15%	0%	0%	0%	0%	30%	0%	0%	0%	0%	15%	0%	0%	0%	0%	30%
Letting Void	**Months**	**% of Rent Roll**																					
Rental (months)	3				£0	£0	£0	-£17,550	£0	£0	£0	£0	-£39,663	£0	£0	£0	£0	-£22,410	£0	£0	£0	£0	-£50,646
Service Charge (months)	3				£0	£0	£0	-£2,886	£0	£0	£0	£0	-£5,772	£0	£0	£0	£0	-£2,886	£0	£0	£0	£0	-£5,772
Business Rates (months)	3	45%			£0	£0	£0	-£7,649	£0	£0	£0	£0	-£15,298	£0	£0	£0	£0	-£7,649	£0	£0	£0	£0	-£15,298
Letting Costs																							
Rent Free Periods (months)	6				£0	£0	£0	-£35,100	£0	£0	£0	£0	-£79,327	£0	£0	£0	£0	-£44,820	£0	£0	£0	£0	-£101,292
Capital Contributions (months)	0				£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Leasing Agents Fee (%)		15%			£0	£0	£0	-£10,199	£0	£0	£0	£0	-£20,397	£0	£0	£0	£0	-£10,199	£0	£0	£0	£0	-£20,397
Leasing Legal Fee (%)		5%			£0	£0	£0	-£3,400	£0	£0	£0	£0	-£6,799	£0	£0	£0	£0	-£3,400	£0	£0	£0	£0	-£6,799
Total				**£0**	**£453,272**	**£453,272**	**£453,272**	**£391,220**	**£512,197**	**£512,197**	**£512,197**	**£512,197**	**£361,588**	**£578,783**	**£578,783**	**£578,783**	**£578,783**	**£506,231**	**£654,025**	**£654,025**	**£654,025**	**£654,025**	**£475,076**

Brixham Fish Market				Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17	Yr 18	Yr 19	Yr 20
BTA Leases Uplift					£37,125	£67,050	£90,000	£90,000	£90,000	£90,000	£90,000	£90,000	£92,250	£99,000	£99,000	£99,000	£99,000	£101,475	£108,900	£108,900	£108,900	£108,900	£111,623
Total					**£37,125**	**£67,050**	**£90,000**	**£90,000**	**£90,000**	**£90,000**	**£90,000**	**£90,000**	**£90,000**	**£99,000**	**£99,000**	**£99,000**	**£99,000**	**£101,475**	**£108,900**	**£108,900**	**£108,900**	**£108,900**	**£111,623**
	Per Annum																						
Non-Recoverable LL expenses	£5,000				-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000
NET OPERATING INCOME (NOI)				**£0**	**£485,397**	**£515,322**	**£538,272**	**£476,220**	**£597,197**	**£597,197**	**£597,197**	**£597,197**	**£448,838**	**£672,783**	**£672,783**	**£672,783**	**£672,783**	**£602,706**	**£757,925**	**£757,925**	**£757,925**	**£757,925**	**£581,699**
	% of NOI	Annual Minimum																					
Asset Managment Fee	3%	£10,000			£14,562	£15,460	£16,148	£14,287	£17,916	£17,916	£17,916	£17,916	£13,465	£20,183	£20,183	£20,183	£20,183	£18,081	£22,738	£22,738	£22,738	£22,738	£17,451
NET INCOME				**£0**	**£470,835**	**£499,862**	**£522,124**	**£461,933**	**£579,281**	**£579,281**	**£579,281**	**£579,281**	**£435,372**	**£652,600**	**£652,600**	**£652,600**	**£652,600**	**£584,625**	**£735,187**	**£735,187**	**£735,187**	**£735,187**	**£564,248**

DEBT SERVICE - ANNUITY				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Total Debt at PC+1yr (inc rolled up interest)	£1,988,153			£1,988,153								£0								£0		
	Loan Period (yrs)	Interest Rate																				
Repayments (Equal Instalments Int+Cap)	40	5.000%		-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866
TOTAL DEBT SERVICE				**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**
ANNUAL SURPLUS/DEFICIT				**£354,969**	**£383,997**	**£406,258**	**£346,067**	**£463,416**	**£463,416**	**£463,416**	**£463,416**	**£319,507**	**£536,734**	**£536,734**	**£536,734**	**£536,734**	**£468,759**	**£619,321**	**£619,321**	**£619,321**	**£619,321**	**£448,382**
CUMULATIVE SURPLUS/DEFICIT				**£354,969**	**£738,966**	**£1,145,224**	**£1,491,291**	**£1,954,707**	**£2,418,122**	**£2,881,538**	**£3,344,954**	**£3,664,460**	**£4,201,194**	**£4,737,927**	**£5,274,661**	**£5,811,395**	**£6,280,154**	**£6,899,475**	**£7,518,796**	**£8,138,118**	**£8,757,439**	**£9,205,821**

Yr 21	Yr 22	Yr 23	Yr 24	Yr 25	Yr 26	Yr 27	Yr 28	Yr 29	Yr 30	Yr 31	Yr 32	Yr 33	Yr 34	Yr 35	Yr 36	Yr 37	Yr 38	Yr 39	Yr 40	Yr 41
£739,048	£739,048	£739,048	£739,048	£763,067	£835,124	£835,124	£835,124	£835,124	£862,266	£943,691	£943,691	£943,691	£943,691	£974,360	£1,066,370	£1,066,370	£1,066,370	£1,066,370	£1,101,027	£1,204,998
0%	0%	0%	0%	15%	0%	0%	0%	0%	30%	0%	0%	0%	0%	15%	0%	0%	0%	0%	30%	0%
£0	£0	£0	£0	-£28,615	£0	£0	£0	£0	-£64,670	£0	£0	£0	£0	-£36,539	£0	£0	£0	£0	-£82,577	£0
£0	£0	£0	£0	-£2,886	£0	£0	£0	£0	-£5,772	£0	£0	£0	£0	-£2,886	£0	£0	£0	£0	-£5,772	£0
£0	£0	£0	£0	-£7,649	£0	£0	£0	£0	-£15,298	£0	£0	£0	£0	-£7,649	£0	£0	£0	£0	-£15,298	£0
£0	£0	£0	£0	-£57,230	£0	£0	£0	£0	-£129,340	£0	£0	£0	£0	-£73,077	£0	£0	£0	£0	-£165,154	£0
£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	-£10,199	£0	£0	£0	£0	-£20,397	£0	£0	£0	£0	-£10,199	£0	£0	£0	£0	-£20,397	£0
£0	£0	£0	£0	-£3,400	£0	£0	£0	£0	-£6,799	£0	£0	£0	£0	-£3,400	£0	£0	£0	£0	-£6,799	£0
£739,048	**£739,048**	**£739,048**	**£739,048**	**£653,089**	**£835,124**	**£835,124**	**£835,124**	**£835,124**	**£619,990**	**£943,691**	**£943,691**	**£943,691**	**£943,691**	**£840,612**	**£1,066,370**	**£1,066,370**	**£1,066,370**	**£1,066,370**	**£805,030**	**£1,204,998**

Yr 21	Yr 22	Yr 23	Yr 24	Yr 25	Yr 26	Yr 27	Yr 28	Yr 29	Yr 30	Yr 31	Yr 32	Yr 33	Yr 34	Yr 35	Yr 36	Yr 37	Yr 38	Yr 39	Yr 40	Yr 41
£119,790	£119,790	£119,790	£119,790	£122,785	£131,769	£131,769	£131,769	£131,769	£135,063	£144,946	£144,946	£144,946	£144,946	£148,570	£159,440	£159,440	£159,440	£159,440	£163,427	£175,385
£119,790	**£119,790**	**£119,790**	**£119,790**	**£122,785**	**£131,769**	**£131,769**	**£131,769**	**£131,769**	**£135,063**	**£144,946**	**£144,946**	**£144,946**	**£144,946**	**£148,570**	**£159,440**	**£159,440**	**£159,440**	**£159,440**	**£163,427**	**£175,385**
-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000	-£5,000
£853,838	**£853,838**	**£853,838**	**£853,838**	**£770,874**	**£961,893**	**£961,893**	**£961,893**	**£961,893**	**£750,053**	**£1,083,636**	**£1,083,636**	**£1,083,636**	**£1,083,636**	**£984,181**	**£1,220,811**	**£1,220,811**	**£1,220,811**	**£1,220,811**	**£963,456**	**£1,375,383**
£25,615	£25,615	£25,615	£25,615	£23,126	£28,857	£28,857	£28,857	£28,857	£22,502	£32,509	£32,509	£32,509	£32,509	£29,525	£36,624	£36,624	£36,624	£36,624	£28,904	£41,261
£828,223	**£828,223**	**£828,223**	**£828,223**	**£747,747**	**£933,037**	**£933,037**	**£933,037**	**£933,037**	**£727,551**	**£1,051,127**	**£1,051,127**	**£1,051,127**	**£1,051,127**	**£954,656**	**£1,184,186**	**£1,184,186**	**£1,184,186**	**£1,184,186**	**£934,553**	**£1,334,121**

20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
					£0								£0							
-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866	-£115,866
-£115,866	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**	**-£115,866**
£712,357	**£712,357**	**£712,357**	**£712,357**	**£631,882**	**£817,171**	**£817,171**	**£817,171**	**£817,171**	**£611,685**	**£935,261**	**£935,261**	**£935,261**	**£935,261**	**£838,790**	**£1,068,321**	**£1,068,321**	**£1,068,321**	**£1,068,321**	**£818,687**	**£1,218,256**
£9,918,178	**£10,630,535**	**£11,342,892**	**£12,055,249**	**£12,687,130**	**£13,504,301**	**£14,321,472**	**£15,138,642**	**£15,955,813**	**£16,567,498**	**£17,502,760**	**£18,438,021**	**£19,373,283**	**£20,308,544**	**£21,147,334**	**£22,215,655**	**£23,283,975**	**£24,352,296**	**£25,420,616**	**£26,239,303**	**£27,457,559**

HARDISTY • JONES

Socio Economic Benefits Assessment

Regeneration in Torbay

Milligan, Wilmott Dixon and Torbay Council

May 2026



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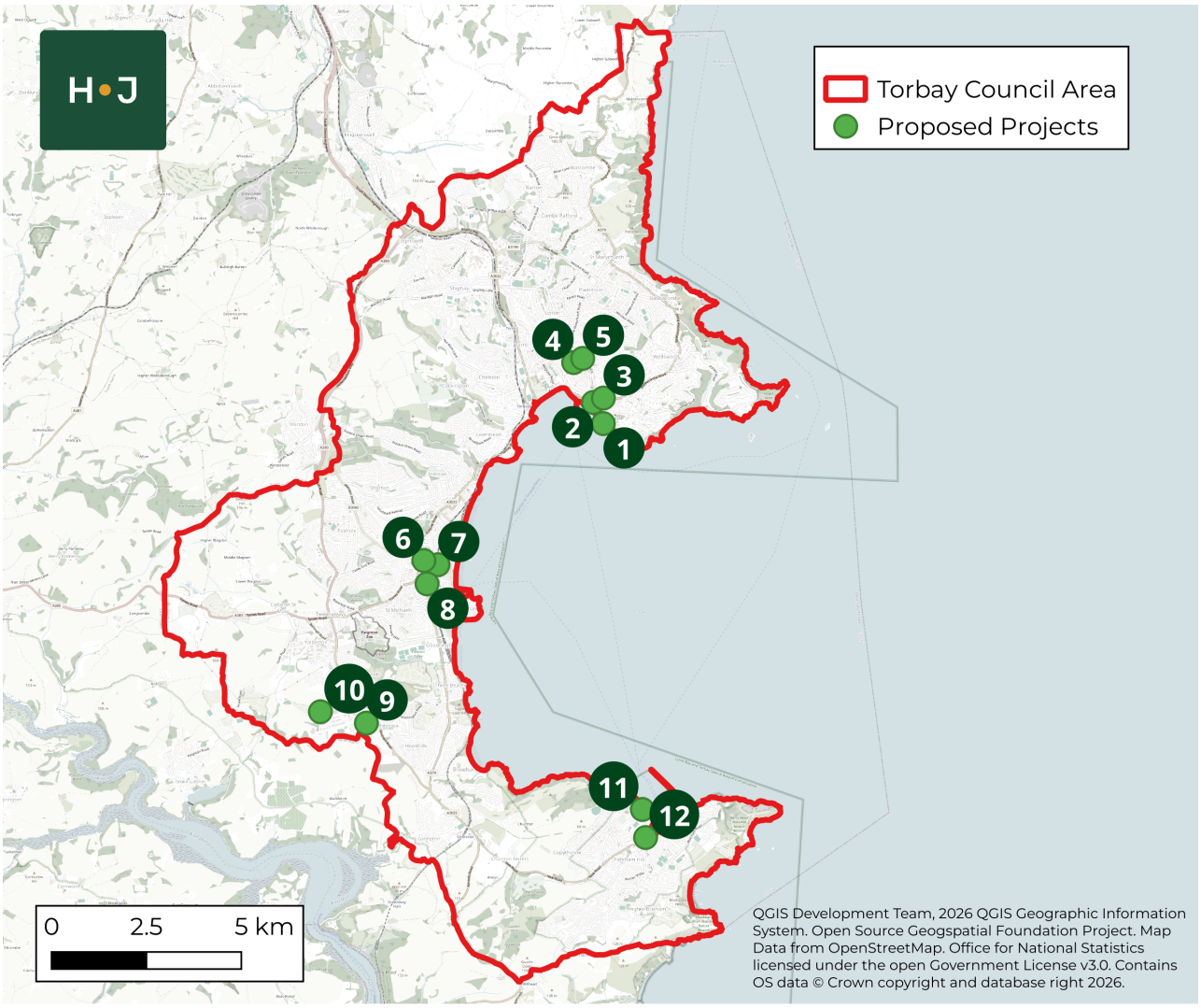
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Summary of Impacts

This report sets out the socio-economic benefits and value-for-money of a programme of regeneration projects in Torbay being delivered by Milligan and Wilmott Dixon, in partnership with Torbay Council. Brief descriptions of the projects are out in Table 1 below.

Figure 1 Map of proposed regeneration projects



1. Living Coasts
2. Torquay Pavilion
3. The Strand, Torquay
4. Lower Union Lane
5. Union Square, Torquay
6. Crossways, Paignton
7. Victoria Square, Paignton
8. Paignton Gateway
9. Torbay Teck Park (Whiterock site)
10. Torbay Tech Park (Unit D, Westfield Business Park)
11. Oxen Cove, Brixham
12. Brixham Central

Table 2: Descriptions of projects assessed

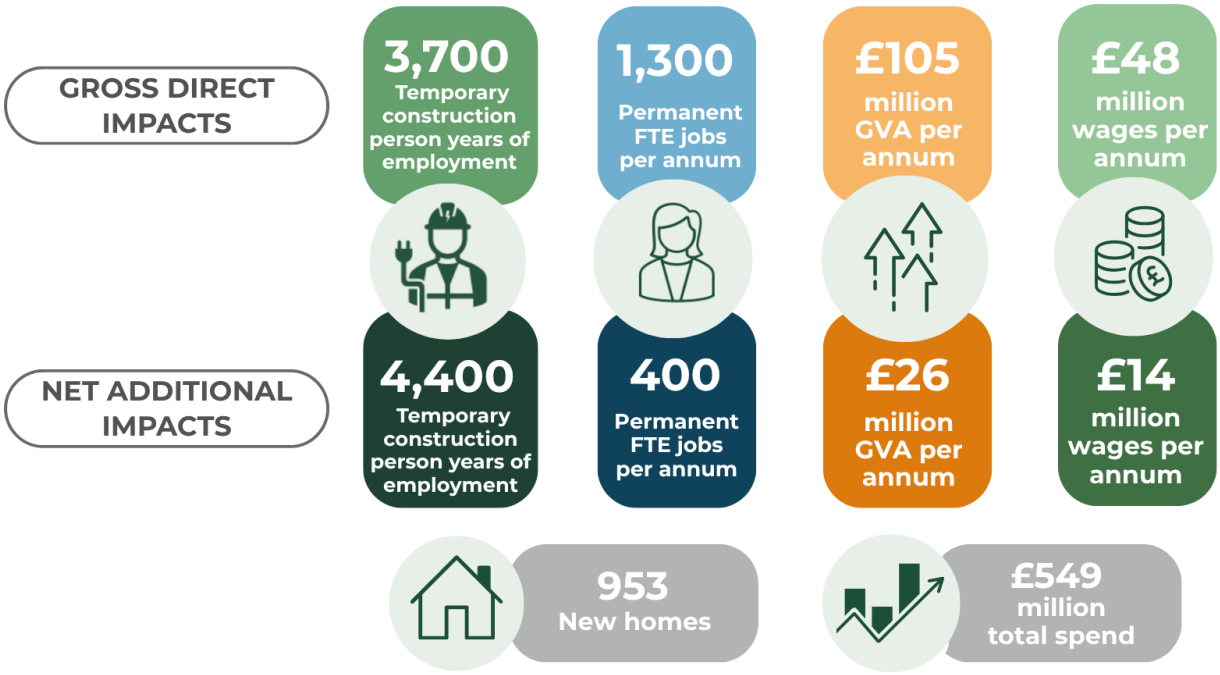
Name	Description
Living Coasts, Torquay	Redevelopment of former zoo attraction as outdoor entertainment venue.
Lower Union Lane, Torquay	Replacement of under-used car park with social rented housing and employment.
The Pavilion, Torquay	Redevelopment of decaying heritage asset as visitor attraction, food and beverage outlets
The Strand, Torquay	Regeneration of vacant high-profile site as premium hotel, food and beverage outlets.
Union Square, Torquay	Redevelopment of the shopping centre and retail units on Union Street and Market Street into new residential and commercial units, a new NHS facility (including GP practices) and public realm improvements.
Crossways, Paignton	Redevelopment of site for extra-care housing and day-care facility.
Paignton Gateway	Redevelopment of town centre area for new bus station, residential, and car parking.
Torbay Tech Park	Development of grow-on space for businesses graduating from EPIC innovation centre.
Victoria Square, Paignton	Regeneration of site for residential and public sector operations.
Brixham Central	Development of multiple storey car parking in the town centre.
Brixham Oxen Cove	Development of new industrial units for fish processing and related activity.
Hotels to Homes Programme	Redevelopment of unused former hotels for social rented housing.
Agglomeration effect	Additional impacts of all the projects being delivered together in Torbay

i. The programme of regeneration projects will generate socio economic benefits for Torbay, creating additional jobs, wages and gross value added (GVA) to the local economy. The programme will also deliver wider benefits to the area, including higher wellbeing, visitor spend, land value uplift, and contribution to a range of local, regional and national policy

ambitions, including the Devon and Torbay Local Growth Plan[1] and the Devon and Torbay Local Housing Plan[2].

ii. A summary of the gross direct and net additional socio economic impacts of the programme is set out below.

Figure 1: Gross direct and net additional benefits to Torbay

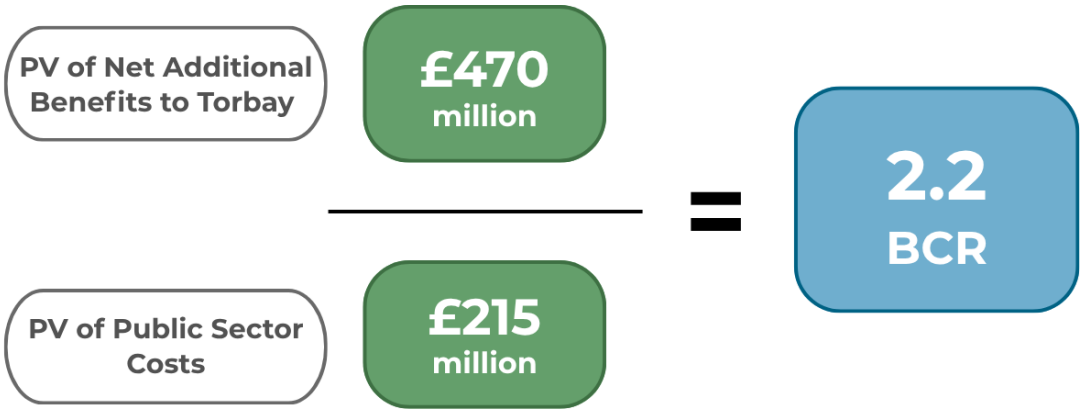


iii. Other benefits to Torbay are also likely, which have not been quantified as part of this assessment. These include land value uplift benefits on the proposed sites and at sites in the areas surrounding the redevelopment projects. The programme will also contribute to strategic objectives in Torbay, such as promoting vitality, culture and diversity, helping to reposition and improve Torbay's image.

iv. An estimated £215 million of non-repayable public grant funding will be invested in the twelve projects. The net additional present value of benefits (over a period of up to 60 years) is estimated as £470 million. The combined benefit to cost ratio (BCR) of the programme of projects is estimated at 2.2. Considering the BCR alongside the non-quantified benefits, the regeneration programme is likely to deliver high value for money.

[1] Devon and Torbay Combined County Authority (2025). Devon and Torbay Local Growth Plan 2025 -2035.
[2] Devon and Torbay Combined County Authority (2025). Devon and Torbay Local Housing Plan 2025 -2027

Figure 2: Benefit to Cost Ratio of the series of regeneration projects in Torbay



v. In addition, agglomeration effects will accrue from the delivery of all twelve projects across Torbay, over and above the impacts of each of the projects delivered in isolation. For example, one visitor attraction may draw in a certain number of visitors, but multiple attractions together with improvements in public realm and general vitality is likely to improve the image of Torbay, resulting in an even higher number of visitors and investment in the area.

vi. A 20% uplift in the number of visitors is used to estimate agglomeration effects. It supports a net additional 11 FTE jobs and £5 million in wages. With these additional effects, the programme of regeneration projects across Torbay is likely to deliver high value for money.

1 Glossary of Terms

Benefit to Cost Ratio (BCR)

The estimated level of social benefit per £1 of cost to the public sector.

Full-time equivalent (FTE)

A measurement that represents the workload of one full time employee (typically 40 hours per week). For example, two part time employees working 20 hours per week equals 1 FTE.

Gross direct impacts

The immediate impacts of the proposed development, quantified in terms of employment, wages and GVA. For example, the number of workers employed to construct the proposed development; and those employed within the various uses once the proposed development is in operation.

Gross Value Added (GVA)

GVA is a way of measuring the value added by a firm or economy. It is defined as the value of the goods and services produced minus the value of the inputs that were used to produce those goods and services. National and local economic policy aims to grow the economy over time, and GVA is often used as a measure for tracking growth.

Multiplier impacts

The associated indirect and induced impacts of the proposed development. These include the jobs supported as a result of your employees spending their wages, or the jobs supported in businesses they procure from (i.e. supply chain impacts).

Net additional impacts

The economic impacts that are genuinely 'additional' to a local area. They are the impacts that remain after adjusting gross direct impacts for potential displacement, leakage, and deadweight effects, and after taking account of multiplier impacts.

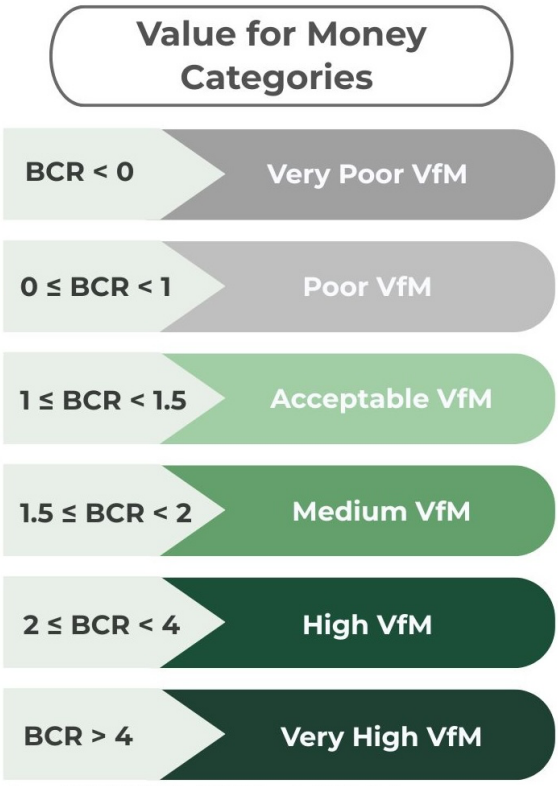
- Displacement - the amount of activity that is offset by reductions elsewhere within an area.
- Leakage - the benefits that 'leak' outside of an area including jobs and expenditure.
- Deadweight - the impacts expected to have occurred in the absence of the proposed development.

Person-years of employment

A measurement of the total amount of work performed, expressed as the equivalent number of full years worked by one person. This is often used to express construction sector employment, given that it can be temporary or intermittent in nature, with a range of trades and activities on site at any given time. One person-year of employment is equivalent to one person working full-time for one year.

Value for Money (VfM)

Value for Money is a judgement about the optimal use of public resources to achieve policy objectives based on the value to society of all economic, social and environmental benefits. The benefit to cost ratio (BCR) is an important factor in a project's value for money. Where a project is expected to deliver high value for money, it means that the assessed benefits are high relative to public sector costs.



Source: MHCLG (2026). The MHCLG Appraisal GuideBook.

Welfare benefits

The monetised value of the additional welfare gained by the new tenants of social rented housing.

2 Introduction

2.1 This report has been prepared by Hardisty Jones (HJ), a specialist economic development consultancy, advising public and private sector clients across the UK on local and regional economic development matters.

2.2 This report sets out the socio-economic benefits of a programme of regeneration projects in Torbay being delivered by Milligan and Wilmott Dixon, in partnership with Torbay Council.

Report structure

2.3 This report sets out the potential economic impacts and a value for money assessment for each of the proposed projects:

- Chapter 3: Living Coasts, Torquay
- Chapter 4: Lower Union Lane, Torquay
- Chapter 5: The Pavillion, Torquay
- Chapter 6: The Strand, Torquay
- Chapter 7: Union Square, Torquay
- Chapter 8: Crossways, Paignton
- Chapter 9: Paignton Gateway
- Chapter 10: Torbay Tech Park, Paignton
- Chapter 11: Victoria Square, Paignton
- Chapter 12: Brixham Central
- Chapter 13: Oxen Cove, Brixham
- Chapter 14: Hotels to Homes
- Appendix 1 sets out the methodology for appraisal
- Appendix 2 sets out the adjustments used to assess the net additional impacts.

3 Living Coasts, Torquay

3.1 The Living Coasts site is a former zoo and aquarium in a prominent seafront location in Torquay. The project closed in 2020, and after standing vacant for five years the site has been partly occupied by Arc Marine, a local marine engineering company specialising in habitat restoration.

3.2 The proposed development includes plans for the remaining vacant area of the site, comprising a 250 person external event space/theatre with three Food & Beverage units. These uses are intended to be temporary (for approximately 10 years), allowing potential expansion by Arc Marine across the entire site.

3.3 The theatre is intended to provide a seasonal offer, and is modelled on similar outdoor theatres such as the Minack Theatre in Cornwall.

Costs

3.4 The total cost for the project is £10 million. This will be funded through £5 million of non-repayable public grant funding and £5 million of private sector investment.

3.5 The present value of public sector costs is £5 million.

Benefits

3.6 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts.
- The externa event space/theatre – this generates temporary (10 year) employment impacts.
- Food and Beverage units - this generates temporary (10 year) employment impacts.
- Visitors' spend in the local economy - this generates temporary (10 year) employment impacts.

Construction

3.7 The construction of the proposed development is estimated to support 85 person-years of employment. This employment will generate £3 million in wages and £7 million of GVA during the construction phase.

3.8 Taking into account additionality, the construction will support 123 net additional person years of employment, supporting wages of £5 million and GVA of £10 million.

External event space/theatre

3.9 The proposed development will include a 250 person external event space/theatre with backstage areas.

3.10 The event space/theatre will support approximately three gross direct FTE jobs. These jobs will generate £0.6 million in wages and £0.8 million of GVA, discounted to present values over a 10-year period.

3.11 Taking into account additionality, these uses will support four net additional local FTE jobs, supporting wages of £0.7 million and GVA of £1 million, discounted to present values over 10 years.

Food and Beverage Units

3.12 The proposed development will deliver around 100 sq m of food and beverage unit space[3] (Use Class E).

3.13 The proposed food and beverage units could accommodate six gross direct FTE jobs. This will support approximately £1 million in wages and £1 million of GVA discounted to present values over a 10-year period.

3.14 After applying the additionality adjustments, the food and beverage floorspace could support 5 FTE jobs and has the potential to generate approximately £0.9 million in wages and £0.9 million of GVA discounted to present values over a 10-year period.

Visitor Spending

3.15 The proposed development has the potential to attract 50,000 visitors per annum to Torbay, across a six-month April to September period[4]. There will be additional local expenditure in Torbay as a result of visitors to the theatre, for example in local hotels, shops, pubs and eateries, indirectly supporting jobs in these sectors.

[3] This figure has been estimated based on data for the average size of a medium sized cafe and two smaller 'to go' cafes. Information sourced from: Plan 7 Architects.
[4] Figure provided by Torbay Council.

3.16 The additional spend has been calculated based on UK findings that for every £1 spent on a theatre ticket at a medium sized theatre, an additional £1.40 is spent in the local economy[5]. Combining additional spend with anticipated visitor numbers results in an estimated wider spend in the local economy of £3 million.

3.17 This level of visitor spend is estimated to support three gross indirect FTE jobs. This will generate an estimated £6 million in wages and £7 million of GVA discounted to present values over the 10 year period.

3.18 Taking into account additionality (including theatre visitors who would have visited and spend in Torbay without the proposed development), visitor spending is estimated to support 19 net additional local FTE jobs, supporting £4 million in wages and £5 million of GVA discounted to present values over 10 years.

Table A: Quantified benefits of Living Coasts, Torquay

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years of employment	85	123
Wages	£3 million	£5 million
GVA	£7 million	£10 million
Temporary operational impacts		
Jobs	38	27
Annual wages	£1 million	£1 million
Annual GVA	£1 million	£1 million

3.19 The proposed development is also anticipated to generated other non-quantified benefits in Torbay and Torquay, including:

- Supporting the strategic objectives of promoting vitality, culture and diversity in Torquay town centre.
- Repositioning and improving Torquay's image, attracting further visitors, and stimulating investment.

[5] Gregory Nash, Caroline Meaby and Mark Mallabone (2024). Midscale Theatre Venues. Impact Study 2024.

Value for Money

3.20 The present value of costs is £5 million and the present value of benefits is estimated at £5.4 million, resulting in a benefit to cost ratio of 1.1. The benefit to cost ratio, considered alongside the non-quantified benefits, indicates that the Living Coasts project is likely to deliver acceptable value for money.

4 Lower Union Lane, Torquay

4.1 The Lower Union Lane project consists of the redevelopment of a currently underutilised car park to deliver social rented housing and some light industrial floorspace. The development will deliver:

- 122 residential apartments (2-bedroom and 3-bedroom units).
- 1,000 sq m of light industrial floorspace/maker-space.

4.2 It is estimated that the 122 residential units will house approximately 464 residents.

Costs

4.3 The total cost of the project is £36 million. This will be funded through £20 million of non-repayable public grant funding and £16 million of public sector borrowing.

4.4 The present value of the non-repayable public sector cost is £20 million.

Benefits

4.5 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts.
- Light industrial floorspace – this generates permanent employment impacts.
- Residential spending - this generates permanent employment impacts.
- Welfare benefits - this generates permanent impacts.

Construction

4.6 The construction of the proposed development is estimated to support 245 gross person-years of employment. This employment will generate £10 million in gross discounted wages and £17 million in gross discounted GVA during the construction phase.

4.7 Taking into account additionality, the construction will support 356 net additional local person-years of employment, supporting wages of £15 million and GVA of £25 million.

Light industrial space

4.8 The proposed development will deliver circa 1,000 sq m (NIA) of light industrial space (in Use Class E(g)iii).

4.9 The proposed unit could accommodate 21 gross direct FTE jobs. This will support approximately £19 million in wages and £42 million of GVA discounted to present values over 60-years.

4.10 After applying the additionality adjustments, the light industrial floorspace could support 12 FTE jobs and has the potential to generate approximately £11 million in wages and £23 million of GVA discounted to present values over 60-years.

Residential Spend

4.11 The proposed development will include 122 residential units. In total, the development is expected to house 464 residents.

4.12 Through residential spend, the proposed development will support approximately 17 gross indirect FTE jobs. These jobs will generate £12 million in wages and £20 million of GVA discounted to present values over a 60-year period.

4.13 Taking into account additionality, the residential spend will support 9 net additional local FTE jobs, supporting wages of £7 million and GVA of £11 million discounted to present values over 60-years.

Welfare benefits

4.14 The proposed development will generate an estimated £51 million in gross welfare benefits discounted to present values over a 30-year period. Adjusting this for additionality, the net additional local welfare benefits will be £41 million.

Table A Quantified benefits of Lower Union Lane, Torquay

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	245	356
Wages	£10 million	£15 million
GVA	£17 million	£25 million
Permanent impacts		
Jobs	38	21
Annual wages	£1 million	£0.7 million
Annual GVA	£3 million	£1 million

4.15 The proposed development is also anticipated to generated other non-quantified benefits in Torbay and Torquay, including:

- Supporting the strategic objectives of promoting vitality and diversity in Torquay town centre.
- Repositioning and improving Torquay's image, attracting further visitors, and stimulating investment.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

4.16 The present value of the non-repayable public sector cost is £20 million, and the present value of benefits is estimated at £73 million. The benefit to cost ratio is therefore assessed as 3.7, which is considered as high value for money.

5 The Pavilion, Torquay

5.1 The Pavilion in Torquay is a Grade II Edwardian listed building on the Torquay waterfront. The Pavilion has been empty and unused for many years and has fallen into a state of disrepair. Torbay Council has bought the Pavilion and intends to support its redevelopment.

5.2 The proposed development comprises a new type of destination in Torquay, the Agatha Christie Campus for Digital Storytelling.[6]. It is estimated that the Pavilion has an internal area of approximately 1,226 sq m (NIA).[7]

5.3 The proposed development will consist of a new destination, bringing together heritage, technology and enterprise. It will include:

- A new Agatha Christie immersive experience visitor attraction.
- A premium dining experience.

Costs

5.4 The total cost of the project is £30 million. This will be funded through £25 million of non-repayable public grant funding and £5 million of public sector borrowing.

5.5 The present value of the non-repayable public sector costs is £25 million. .

Benefits

5.6 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts.
- Visitor attraction – this generates permanent employment impacts.
- Restaurant - this generates permanent employment impacts.
- Visitor spending - this generates permanent employment impacts.

[6] Option 2 from the Torquay Pavillion Options Analysis: Shortlist Options Report (Torbay Council, 2026).
[7] JLL (2021). Torquay Pavilion Markey Assessment.

Construction

5.7 The construction of the proposed development is estimated to support 204 gross person-years of employment. This employment will generate £8 million in gross discounted wages and £14 million in gross discounted GVA during the construction phase.

5.8 Taking into account additionality, the construction will support 296 net additional local person-years of employment, supporting wages of £12 million and GVA of £21 million.

Visitor attraction

5.9 It is assumed that approximately half of the Pavillion will be used to deliver the immersive Agatha Christie visitor attraction. Therefore, the proposed development will deliver a visitor attraction of circa 613 sq m.

5.10 The visitor attraction will support approximately 25 gross direct FTE jobs. This will support approximately £12 million in wages and £16 million of GVA discounted to present values over 60-years.

5.11 After applying the additionality adjustments, the visitor attraction could support 13 FTE jobs and has the potential to generate approximately £7 million in wages and £9 million of GVA discounted to present values over 60-years.

Restaurant

5.12 The proposed development will deliver a premium dining experience restaurant. It is assumed that the restaurant will consist of approximately half of the total Pavilion floorspace (613 sq m).

5.13 The restaurant will support approximately 35 gross direct FTE jobs. These jobs will generate £17 million in wages and £15 million of GVA discounted to present values over a 60-year period[8].

[8] In some instances, GVA is lower than wages. This is a quirk of the data, and can sometimes happen in sectors which generate low GVA. It is more apparent here due to the discrepancy in the latest available data for wages (2025) and GVA (2023).

5.14 Taking into account additionality, the restaurant will support 19 net additional local FTE jobs, supporting wages of £9 million and GVA of £8 million discounted to present values over 60-years.

Visitor Spending

5.15 The proposed development has the potential to attract 160,000 visitors[9] per annum to Torbay. There will be additional local expenditure in Torbay as a result of visitor to the new Agatha Christie visitor attraction. To avoid double counting, the employment supported by visitor spending excludes any employment already supported by the restaurant and the visitor attraction itself.

5.16 The increased spending in Torbay as a result of visitors is estimated to support 55 gross indirect FTE jobs. This will generate an estimated £28 million in wages and £35 million of GVA discounted to present values over the 60-year period.

5.17 Taking into account additionality, visitor spending is estimated to support 30 net additional local FTE jobs, supporting £15 million in wages and £19 million of GVA discounted to present values over 60 years.

Table B Quantified benefits of The Pavilion, Torquay

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	204	296
Wages	£8 million	£12 million
GVA	£14 million	£21 million
Permanent impacts		
Jobs	115	63
Annual wages	£3 million	£2 million
Annual GVA	£4 million	£2 million

[9] Torbay Council (2026). Torquay Pavillion Options Analysis: Shortlist Options.

5.18 The proposed development is also anticipated to generated other non-quantified benefits in Torbay and Torquay, including:

- Supporting the strategic objectives of promoting vitality and diversity in Torquay town centre.
- Repositioning and improving Torquay's image, attracting further visitors, and stimulating investment.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

5.19 The present value of the non-repayable public sector costs is £25 million, and the present value of benefits is estimated at £43 million. The benefit to cost ratio is therefore assessed as 1.7, which is considered medium value for money.

6 The Strand, Torquay

6.1 The Strand site in Torquay is currently underutilised, with the majority being vacant, despite its prominent town centre location. The proposed development sets out plans to redevelop units 7 – 14 of The Strand (including the former Debenhams department store) into:

- Food & Beverage and retail units at the ground floor
- A 144-bedroom high-quality (four-star) hotel above.

6.2 The development will function as a single hotel with three separate commercial units at ground floor level on the west of the site (potentially four if split). The principal hotel element is located on the eastern side of the site with a ground floor restaurant area, first floor function spaces and a publicly accessible rooftop bar.

Costs

6.3 The total cost of the project is £53.9 million. This will be funded through £11 million of non-repayable public grant funding and £43 million of private sector investment.

6.4 The present value of non-repayable public sector costs is £11 million.

Benefits

6.5 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts
- The hotel – this generates permanent employment impacts
- Food and beverage units - this generates permanent employment impacts
- Hotel visitors spend in the local economy - this generates permanent employment impacts.

Construction

6.6 The construction of the proposed development is estimated to support 367 gross person years of employment. This employment will generate £14 million in gross discounted wages and £24 million in gross discounted GVA for the duration of the construction phase.

6.7 Taking into account additionality, the construction will support 533 net additional local person-years of employment, supporting wages of £21 million and GVA of £35 million.

Food and Beverage Units

6.8 The proposed development will deliver around 600 sq m of food and beverage unit space (Use Class E).

6.9 The proposed food and beverage units could accommodate 32 gross direct FTE jobs. This will support approximately £19 million in wages and £18 million of GVA discounted to present values over 60-years.

6.10 After applying the additionality adjustments, the food and beverage floorspace could support 12 FTE jobs and has the potential to generate approximately £7 million in wages and £7 million of GVA[10].

Hotel

6.11 The proposed development will include a 144-room hotel, with various amenities such as a gym/fitness room, lounge, reception/lobby, and food and beverage spaces.

6.12 The hotel will support approximately 115 gross direct FTE jobs. These jobs will generate £66 million in wages and £123 million of GVA discounted to present values over a 60-year period.

6.13 Taking into account additionality, the hotel will support 63 net additional local FTE jobs, supporting wages of £36 million and GVA of £67 million discounted to present values over 60-years.

Visitor Spending

6.14 The proposed hotel development has the potential to attract 85,610 visitors[11] per annum to Torbay. There will be additional local expenditure in Torbay as a result of visitors staying at the hotel. To avoid double counting, the employment supported

[10] The net additional estimate is a moderate reduction on the gross impacts because the loss of employment in existing uses has been accounted for (deadweight).
[11] Figure provided by Wilmott Dixon and Milligan.

by visitor spending excludes any employment already being supported by the food and beverage units of the proposed development.

6.15 The increased spending in Torbay as a result of visitors is estimated to support 16 gross direct FTE jobs. This will generate an estimated £11 million in wages and £21 million of GVA discounted to present values over the 60-year period.

6.16 Taking into account additionality, visitor spending is estimated to support nine net additional local FTE jobs, supporting £6 million in wages and £11 million of GVA discounted to present values over 60 years.

Table C Quantified benefits of The Strand, Torquay

	Gross direct impacts	Place based impacts
Temporary construction impacts		
Person-years employment	367	533
Wages	£ 14.3 million	£20.7 million
GVA	£24.2 million	£35.1 million
Permanent impacts		
Jobs	163	84
Annual wages	£4.4 million	£2.3 million
Annual GVA	£7.5 million	£3.9 million

6.17 The proposed development is also anticipated to generated other non-quantified benefits in Torbay and Torquay, including:

- Supporting the strategic objectives of promoting vitality and diversity in Torquay town centre.
- Repositioning and improving Torquay's image, attracting further visitors, and stimulating investment.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

6.18 The present value of costs is £11 million and the present value of benefits is estimated at £30 million, resulting in a benefit to cost ratio of 2.7. The benefit to cost ratio

considered alongside the non-quantified benefits indicates that the Strand project is likely to deliver high value for money.

7 Union Square, Torquay

7.1 The Union Square project consists of the redevelopment of the shopping centre and retail units on Union Street and Market Street into new residential and commercial units, a new NHS facility (including GP practices), refurbishment of the pannier market and public realm improvements.

7.2 The development will deliver:

- 99 social rented residential apartments (including studios, one-bed and two-bed apartments).
- 135 sq m of food and beverage units on the ground floor of the main residential block
- Refurbishment of the Pannier Market, delivering 2,375 sq m of retail/food and beverage/ market and commercial uses.
- A new NHS healthcare facility totalling 3,000 sq m on the ground floor of the existing multi-storey car park, including two new GP practices and related healthcare facilities.
- 1,800 sq m of commercial space on the first floor of the existing multi-storey car park.

7.3 It is estimated that the 99 residential units will house approximately 168 residents.

Costs

7.4 The total cost for the project is £84 million. This will be funded through £26 million of non-repayable public grant funding and £58 million of public sector borrowing.

7.5 The present value of non-repayable public sector costs is £26 million.

Benefits

7.6 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts.
- Food and beverage units – this generates permanent employment impacts.
- Pannier market - this generates permanent employment impacts.
- NHS healthcare facility - this generates permanent employment impacts.

- Commercial floorspace - these are permanent employment impacts.
- Residential spending - these are permanent employment impacts.
- Welfare benefits - these are permanent impacts.

Construction

7.7 The construction of the proposed development is estimated to support 497 gross person years of employment. This employment will generate £20 million in gross discounted wages and £34 million in gross discounted GVA for the duration of the construction phase.

7.8 Taking into account additionality, the construction will support 481 net additional local person-years of employment, supporting wages of £20 million and GVA of £33 million[12].

Food and beverage units

7.9 The proposed development will deliver circa 100 sq m (NIA) of food and beverage unit space (Use Class E).

7.10 The proposed food and beverage units could accommodate 6 gross direct FTE jobs. This will support approximately £4 million in wages and £5 million of GVA discounted to present values over 60-years.

Pannier Market

7.11 The proposed development will refurbish circa 1,800 sq m (NIA) of floorspace for a range of uses, including retail, food and beverage, market and commercial uses.

7.12 The proposed unit could accommodate 37 gross direct FTE jobs. This will support approximately £33 million in wages and £42 million of GVA discounted to present values over 60-years.

[12] Net additional impacts are lower than gross direct impacts for the construction of this project because the scale of the project is such that displacement is likely to be higher.

Commercial Units

7.13 The proposed development will deliver circa 1,000 sq m (NIA) of light industrial space (Use Class E(g)iii).

7.14 The proposed unit could accommodate 23 gross direct FTE jobs. This will support approximately £16 million in wages and £19 million of GVA discounted to present values over 60-years.

NHS Healthcare facilities

7.15 The proposed development will deliver circa 800 sq m (NIA) of GP practice floorspace. This is anticipated to support 42 gross direct jobs, generating £40 million in wages and £46 million of GVA. However, as the new GP practices are replacing existing GP practices elsewhere within Torbay, this element is not expected to support any net additional jobs.

7.16 The remainder of the healthcare space (1,600 sq m NIA of related healthcare facilities) could accommodate 84 gross direct FTE jobs. This will support approximately £80 million in wages and £93 million of GVA discounted to present values over 60-years.

Residential Spend

7.17 The proposed development will include 99 residential units. In total, the development is expected to house 168 residents.

7.18 Through residents' spend in the local economy, the proposed development will support approximately 6 gross FTE jobs. These jobs will generate £4 million in wages and £7 million of GVA discounted to present values over a 60-year period.

Existing uses (Shopping centre)

7.19 The site currently has a shopping centre, where approximately 30% of the units are occupied[13]. The Pannier market is also only partly occupied. It is estimated that approximately 180 FTE jobs are supported by the shopping centre and 10 jobs are currently supported by the Pannier Market. To assess the net additional impact of

[13] Based on information provided by Milligan and based on previous assessments of impact of Union Square.

the operational uses of the proposed development, the deadweight (i.e. the number of jobs in existing uses) must be taken away from the gross direct jobs after leakage, displacement[14] and multiplier impacts have been accounted for.

7.20 Based on this calculation, the proposed development is estimated to lead to a net additional loss of jobs. As the new uses are anticipated to support higher quality jobs, the net additional wages are estimated to be £12 million and net additional GVA is estimated at £12 million discounted to present values over the appraisal period.

Welfare benefits

7.21 The proposed development will generate an estimated £16 million in gross welfare benefits over a 60-year period. Adjusting this for additionality, the net additional local welfare benefits will be £13 million.

Table D Quantified benefits of Union Square, Torquay

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	497	481
Wages	£20 million	£20 million
GVA	£34 million	£33 million
Permanent impacts		
Jobs	157	minus 19 (i.e. loss)
Annual wages	£7 million	£0.5 million
Annual GVA	£8 million	£0.4 million

Non-quantified benefits

7.22 Land value uplift has not been calcultaed for the latest scheme. Land value uplift associated with a previously proposed scheme (comprising housing, retail, and NHS

[14] Although much of this displacement is anticipated to result in movement of retail businesses to vacant units on the High Street,

GP provision) on the Union Square Shopping Centre site was approximately £19 million.

7.23 The proposed development is also anticipated to generate other non-quantified benefits in Torbay and Torquay, including:

- Reducing the over-supply of poor-quality retail space in Torquay.
- Supporting the strategic objectives of promoting vitality and diversity in Torquay town centre.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

7.24 The present value of non-repayable public costs is £26 million and the present value of benefits is estimated at £44 million. The benefit to cost ratio is therefore assessed as 1.7, which is considered medium value for money.

8 Crossways, Paignton

8.1 The proposed development site was the location of the former Crossways Shopping Centre, built in the 1960s. After the buildings were demolished in 2024, the site has been used as a temporary car park.

8.2 The proposed development includes of 91 apartments in Planning Use Class C3, for tenants requiring extra care. These will be provided as social affordable housing. The development will also include communal and café facilities, parking, landscaping and other ancillary works.

8.3 It will also include a Community Resource Centre (or Day Centre) in Planning Use Class E(f) of approximately 1,400 sq m (GIA,) with the potential to accommodate up to 50 users[15] . The centre will replace the existing Hollacombe Community Resource Centre run by the Council in Paignton, which has reached the end of its lifespan.

Costs

8.4 The total cost of the project is £51 million. This will be funded through £33 million of non-repayable public grant funding and £17 million of private sector borrowing.

8.5 The present value of the non-repayable public sector costs is £17 million..

Benefits

8.6 The economic benefits assessed for this project include the jobs, wages, and GVA generated through:

- Construction – this generates temporary impacts
- Community Resource Centre– this generates permanent impacts
- Extra Care Housing - this generates permanent impacts
- Café - this generates permanent impacts.
- Residential Spending - this generates permanent impacts.

[15] This estimate is based on current day centre staffing levels in Torbay.

Construction

8.7 The construction of the proposed development is estimated to support 344 gross person years of employment. This employment will generate £14 million in gross discounted wages and £23 million in gross discounted GVA for the duration of the construction phase.

8.8 Taking into account additionality, the construction will support 399 net additional local person-years of employment, supporting wages of £20 million and GVA of £34 million.

Community Resource Centre

8.9 The proposed development will deliver a new community resource centre replacing the existing centre at Hollacombe. It is expected that the new centre will be able to accommodate more day service users. It is assumed that half of the additional service users will require a 1:3 care ratio and that half would require a 1:2 care ratio.

8.10 The community resource centre will support approximately 35 gross direct FTE jobs. These jobs will generate £24 million in wages and £30 million of GVA discounted to present values over a 60-year period.

8.11 Taking into account additionality, the centre will support nine net additional local FTE jobs, supporting wages of £6 million and GVA of £8 million discounted to present values over 60-years.

Extra Care Housing

8.12 The proposed development will include 91 extra care apartments, delivering day and nighttime on-site support for residents.

8.13 The extra care housing will support approximately nine gross direct FTE jobs. These jobs will generate £6 million in wages and £8 million discounted to present values of GVA over a 60-year period.

8.14 Taking into account additionality, the hotel will support nine net additional local FTE jobs, supporting wages of £5 million and GVA of £6 million discounted to present values over 60-years.

Café

8.15 The café in the proposed development will support approximately six gross direct FTE jobs. These jobs will generate £4 million in wages and £3 million of GVA discounted to present values over a 60-year period.

8.16 Taking into account additionality, the hotel will support five net additional local FTE jobs, supporting wages of £3 million and GVA of £3 million over 60-years.

Residential Spending

8.17 The proposed development will include 91 residential extra care units. In total, the development is expected to house up to 120 residents. Since the residential development consists of extra care units, it is assumed that 75% of residents will have typical spending patterns.

8.18 Through residential spend, the proposed development will support approximately three gross indirect FTE jobs in the wider local economy. These jobs will generate £2 million in wages and £3 million of GVA discounted to present values over a 60-year period.

8.19 Taking into account additionality, the residential spending will support three net additional local FTE jobs, supporting wages of £1.6 million and GVA of £2.2 million over 60-years.

Welfare benefits

8.20 The provision of social rented units is anticipated to create £10 million of net additional welfare benefits over a 30 year period.

Table E Quantified benefits of Crossways, Paignton

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	344	499
Wages	£14 million	£20 million
GVA	£23 million	£34 million
Permanent impacts		

Jobs	53	23
Annual wages	£2 million	£0.7 million
Annual GVA	£2 million	£0.8 million

8.21 The proposed development is also anticipated to generated non-quantified benefits in Torbay and Paignton, including further opportunities for skills and training, particularly for the construction workforce.

Value for Money

8.22 The present value of non-repayable public sector costs is £33 million and the present value of benefits is estimated at £46 million. The benefit to cost ratio is therefore assessed as 1.4, which is considered acceptable value for money.

9 Paignton Gateway

9.1 The Paignton Gateway site is part of wider redevelopment plans to transform the Paignton transport hub and surrounding area into a cohesive and accessible gateway ito the town. The purpose of the scheme is to transform the public realm, creating a welcoming, high-quality and visually cohesive gateway to Paignton for residents and visitors.

9.2 The site is adjacent to Paignton Railway Station, and comprises Paignton bus station, the train station car park, Station Lane car park and Great Western car park.

9.3 A range of options to regenerate the site have been developed. This assessment considers the following proposals:

- Redevelopment and improvement of the bus station.
- 500 sq m of ground floor commercial units.
- 70 new social rented residential units.
- A new 300 space multi storey car park (delivering an additional 149 spaces).

9.4 As there is no anticipated expansion of the existing services provided at the bus station, the assessment does not quantify the operational benefits of the updated bus station. It does consider the improvemenst to the public realm and associated benefits.

Costs

9.5 The total cost of the project is £45 million. This will be funded through £17.5 million of non-repayable public grant funding and £27.5 million of private borrowing.

9.6 The present value of non-repayable public sector costs is £17.5 million.

Benefits

9.7 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts
- Commercial units – this generates permanent employment impacts
- Residential units - this generates permanent employment impacts

- Car park visitors spend in the local economy - this generates permanent employment impacts
- Welfare benefits – this generates permanent impacts.

Construction

9.8 The construction of the proposed development is estimated to support 384 person-years of employment. This employment will generate £14 million in wages and £29 million of GVA during the construction phase.

9.9 Taking into account additionality, the construction will support 372 net additional person years of employment, supporting wages of £14 million and GVA of £28 million.

Commercial Units

9.10 The proposed development will deliver around 500 sq m of commercial floorspace space (Use Class E).

9.11 The proposed commercial units could accommodate 23 gross direct FTE jobs. This will support approximately £14 million in wages and £19 million of GVA discounted to present values over 60-years.

9.12 After applying the additionality adjustments, the commercial floorspace could support 19 FTE jobs and has the potential to generate approximately £12 million in wages and £16 million of GVA discounted to present values over the appraisal period.

Residential Spend

9.13 The proposed development will include 70 social rented accommodation units. Based on the average household composition of social lettings[16], the residential units are expected to accommodate approximately 105 people. The additional spend the residents will bring to the local area will support jobs in the Torbay economy.

9.14 The residential units will support approximately 5 gross direct FTE jobs. These jobs will generate £3 million in wages and £4 million of GVA discounted to present values over a 60-year period.

[16] MHCLG. Social housing lettings in England, tenants: April 2024 to March 2025

9.15 Taking into account additionality, the residential spend will support 3 net additional local FTE jobs, supporting wages of £2 million and GVA of £2 million discounted to present values over 60-years.

Visitor Spending

9.16 The proposed development will provide an additional 149 car parking spaces in Paignton. The additional visitors that the car park can accommodate, as well as the additional trips that residents can make into Paignton will enable further expenditure in Paignton. This is supported by findings from the Torbay Retail Study that one of the main reasons for Paignton residents visiting other centres was ease of parking[29], and that despite approximately 80% of visitors travelling by car, parking is considered an area of low satisfaction amongst visitors to Torbay[17].

9.17 The increased spending in Torbay as a result of visitors is estimated to support 35 gross direct FTE jobs. This will generate an estimated £22 million in wages and £26 million of GVA discounted to present values over the 60-year period.

9.18 Taking into account additionality, visitor spending is estimated to support 28 net additional local FTE jobs, supporting £18 million in wages and £21 million of GVA discounted to present values over 60 years.

Welfare benefits

9.19 The delivery of social rented units is anticipated to create £8 million of net additional welfare benefits.

Table F Quantified benefits of Paignton Gateway

	Gross direct impacts	Place based impacts
Temporary construction impacts		
Person-years employment	384	372
Wages	£ 14 million	£13 million
GVA	£29 million	£28 million
Permanent impacts		

[17] Torbay Council (2022). English Riviera Destination Management Plan Baseline 2022-2027.

	Gross direct impacts	Place based impacts
Jobs	62	50
Annual wages	£2 million	£1 million
Annual GVA	£2 million	£2 million

9.20 The proposed development is also anticipated to generated non-quantified benefits in Torbay and Paignton, including:

- Repositioning and improving Paignton's image, attracting further visitors, and stimulating investment.
- Supporting the strategic objectives of promoting vitality and diversity in Paignton town centre.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

9.21 The present value of non-repayable pubic costs is £17.5 million and the present value of benefits is estimated at £27 million, resulting in a benefit to cost ratio of 1.5. The benefit to cost ratio considered alongside the non-quantified benefits indicates that the Paignton Gateway project is likely to deliver acceptable value for money.

10 Torbay Tech Park, Paignton

10.1 The Torbay Tech Park is a proposed set of developments that will support the growth of the electronics and photonics sector in Torbay, building on the success of the Electronics' and Photonics Innovation Centre (EPIC).

10.2 The proposal consists of developing the Whiterock site, immediately adjacent to EPIC, and the refurbishment of Unit D, Westfield (the former Lumentum building).

10.3 The Whiterock site will deliver approximately 3,000 sq m (NIA) of employment space, and Unit D, Westfield will deliver circa 1,500 sq m (NIA) of employment space. The buildings will accommodate office space, dry lab space, and high-tech manufacturing space.

Costs

10.4 The total cost of the project is £28 million. This will be funded through £8 million of non-repayable public grant funding and £20 million of public sector borrowing.

10.5 The present value of non-repayable public sector costs is £8 million.

Benefits

10.6 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts
- White Rock Site – this generates permanent employment impacts
- Unit D, Westfield - this generates permanent employment impacts

Construction

10.7 The construction of the proposed development is estimated to support 140 gross person years of employment. This employment will generate £5 million in gross wages (present value) and £9 million in gross GVA (present value) for the duration of the construction phase.

10.8 Taking into account additionality, the construction will support 203 net additional local person-years of employment, supporting wages of £8 million (present value) and GVA of £13 million (present value).

Whiterock Site

10.9 The Whiterock site will accomodate approximately 80 gross direct FTE jobs in high tech sectors. These jobs will generate £89 million in wages and £271 million of GVA discounted to present values over a 60-year period.

10.10 Taking into account additionality, the development on the Whiterock site will support 31 net additional local FTE jobs, supporting wages of £35 million and GVA of £106 million discounted to present values over 60-years.

Unit D, Westfield

10.11 The proposed refurbishment of Unit D, Westfield will accomodate approximately 40 gross direct FTE jobs in high tech sectors. These jobs will generate £31 million in wages and £95 million of GVA discounted to present values over a 30-year period.

10.12 Taking into account additionality, the development will support 4 net additional local FTE jobs, supporting wages of £3 million and GVA of £9 million discounted to present values over 30-years.

Land Value Uplift

10.13 The net additional land value uplift for the proposed development of the Whiterock site is estimated to be £5 million.

Table G Quantified benefits of Torbay Tech Park, Paignton

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	140	203
Wages	£5 million	£8 million
GVA	£9 million	£14 million
Permanent impacts		
Jobs	120	35
Annual wages	£6 million	£2 million
Annual GVA	£17 million	£5 million

10.14 The proposed development is also anticipated to generate non-quantified benefits in Torbay and Paignton, including:

- Repositioning and improving Torbay's image as a good place to work, attracting further highly skilled residents and stimulating investment.
- Supporting youth aspiration and improving the retention of talented young people.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

10.15 The present value of non-repayable public costs is £7.5 million and the present value of benefits is estimated at £51 million. The benefit to cost ratio is therefore assessed as 6.8, which is considered very high value for money.

11 Victoria Square, Paignton

11.1 Victoria Square in Paignton is an underutilised site, characterised by vacant units and scrubland used as a temporary car park.

11.2 The proposed development involves plans to develop:

- 6,500 sq m office building for use as a public sector hub (including administrative functions of the police, local councils and NHS).
- 1,500 sq m for commercial uses.
- 211 residential units.

Costs

11.3 The total cost of the project is £93 million. This will be funded through £5million of non-repayable public grant funding, £28 million of public sector repayable loans and £60 million of private sector investment.

11.4 The present value of non-repayabel public sector costs is £5 million.

Benefits

11.5 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts
- Public sector hub – this generates permanent employment impacts
- Commercial units - this generates permanent employment impacts
- Residential units - this generates permanent employment impacts
- Land value uplift – this generates permanent impacts.

Construction

11.6 The construction of the proposed development is estimated to support 633 person years of employment. This employment will generate £23 million in wages and £48 million of GVA discounted to present values for the duration of the construction phase.

11.7 Taking into account additionality, the construction will support 613 net additional person years of employment, supporting wages of £22 million and GVA of £47 million.

Public sector hub

11.8 The proposed development will deliver around 6,500 sq m of office space for use as a hub for public sector uses (Use Class E(g)i). A net internal area of 5,200 sq m is used to calculate the employment supported by the floorspace.

11.9 The proposed public sector hub could accommodate 433 gross direct FTE jobs, supporting approximately £382 million in wages discounted to present values over a 60 year period.

11.10 After applying the additionality adjustments, the public sector hub could support 34 FTE jobs and has the potential to generate approximately £30 million in wages and £90 million of GVA discounted to present values.

Commercial units

11.11 The proposed development will include 5,200 sq m of commercial units. A net internal area of 1,200 sq m is used to calculate the employment supported by the floorspace.

11.12 The commercial units will support approximately 69 gross direct FTE jobs. These jobs will generate £29 million in wages and £40 million of GVA discounted to present values over a 60-year period.

11.13 Taking into account additionality, the hotel will support 42 net additional local FTE jobs, supporting wages of £18 million and GVA of £24 million discounted to present values over 60-years.

Residential Spend

11.14 The proposed development will include 211 residential units which are anticipated to accommodate 562 residents[18]. The additional spend the residents will bring to the local area will support jobs in the Torbay economy.

[18] KTA Architects. Victoria Centre Masterplan.

11.15 The residential spend is estimated to support approximately 25 gross direct FTE jobs. These jobs will generate £11 million in wages and £13 million of GVA discounted to present values over a 60-year period.

11.16 Taking into account additionality, the residential spend is estimated to support 10 net additional local FTE jobs, supporting wages of £4 million and GVA of £5 million discounted to present values over 60-years.

Land Value Uplift

11.17 The net additional land value uplift on the site as a result of the proposed development has been assessed as £3 million.

Table H Quantified benefits of Victoria Square, Paignton

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	633	613
Wages	£ 23 million	£22 million
GVA	£48 million	£47 million
Permanent impacts		
Jobs	163	86
Annual wages	£20 million	£3 million
Annual GVA	£57 million	£6 million

11.18 The proposed development is also anticipated to generated other non-quantified benefits in Paignton and Torbay, including:

- Repositioning and improving Paignton's image, attracting further visitors, and stimulating investment.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

11.19 The present value of non-repayable public costs is £5 million and the present value of benefits is estimated at £31 million, resulting in a benefit to cost ratio of 6.1. The

benefit to cost ratio considered alongside the non-quantified benefits indicates that the Victoria Square project is likely to deliver very high value for money.

12 Brixham Central

12.1 The Brixham Central site is the primary car park supporting the town centre and seafront areas of Brixham, used by residents and visitors alike. Due to its prominent central location, there is potential to improve the public realm and expand the car park to accommodate high demand for spaces in Brixham, particularly in peak summer months.

12.2 The proposed development involves adding a second level of car parking, public realm improvements, and bus facility improvements. The new car park will provide 360 spaces. After accounting for the loss of car parking at Oxen Cove, Brixham (see Chapter 13), the town will benefit from an additional 85 spaces overall.

Costs

12.3 The total cost of the project is £15 million. This will be funded through £5 million of non-repayable public grant funding and £10 million of public sector borrowing. The present value of non-repayble public sector costs is £5 million.

Benefits

12.4 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts
- Car park users' spending in the local economy – which support permanent employment impacts.

Construction

12.5 The construction of the proposed development is estimated to support 128 person years of employment. This employment will generate £5 million in wages and £10 million of GVA during the construction phase.

12.6 Taking into account additionality, the construction will support 186 net additional person years of employment, supporting wages of £7 million and GVA of £15 million discounted to present values.

Visitor Spending

12.7 The proposed development will provide an additional 85 car parking spaces in Brixham. The additional visitors that the car park can accommodate, as well as the additional trips that residents can make into Brixham, will support further expenditure in the town. This is supported by findings from the Torbay Retail Study, which identifies that one of the main reasons for Brixham residents visiting other centres was ease of parking[29], and that despite approximately 80% of visitors travelling by car, parking is considered an area of low satisfaction amongst visitors to Torbay[19]. The increased spending in Torbay as a result of visitors is estimated to support 20 gross direct FTE jobs. This will generate an estimated £13 million in wages and £16 million of GVA discounted to present values over the 60-year period.

12.8 Taking into account additionality, visitor spending is estimated to support 11 net additional local FTE jobs, supporting £7 million in wages and £9 million of GVA discounted to present values over 60 years.

Table I Quantified benefits of Brixham Central

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	128	186
Wages	£5 million	£7 million
GVA	£10 million	£10 million
Permanent impacts		
Jobs	20	11
Annual wages	£0.6 million	£0.3 million
Annual GVA	£0.7 million	£0.4 million

12.9 The proposed development is also anticipated to generated other non-quantified benefits in Torbay and Brixham, including:

[19] Torbay Council (2022). English Riviera Destination Management Plan Baseline 2022-2027.

- Public realm improvements of a prominent town centre site will help improving Brixham's image, attracting further visitors, and stimulating investment.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

12.10 The present value of non-repayable public costs is £5 million and the present value of benefits is estimated at £14 million, resulting in a benefit to cost ratio of 2.8. The benefit to cost ratio considered alongside the non-quantified benefits indicates that the Brixham Central project is likely to deliver high value for money.

13 Oxen Cove, Brixham

13.1 The proposed project consists of the development of approximately 2,500 sq m of new waterfront space for the fishing and fish processing industry. The development will comprise five industrial units.

Costs

13.2 The total cost of the project is £14 million. This will be funded through £10 million of non-repayable public grant funding and £4 million of public sector borrowing.

13.3 The present value of non-repayable public sector costs is £10 million.

Benefits

13.4 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts
- Fish industry floorspace – this generates permanent employment impacts

Construction

13.5 The construction of the proposed development is estimated to support 95 gross person years of employment. This employment will generate £4 million in wages (present value) and £7 million of GVA (present value) during the construction phase.

13.6 Taking into account additionality, the construction will support 138 net additional local person-years of employment, supporting wages of £6 million and GVA of £10 million discounted to present values.

Fish processing floorspace

13.7 The development will create approximately 2,000 sq m (NIA) of fish-industry related floorspace. This will support approximately 44 gross direct jobs. These jobs will generate £36 million in wages and £79 million of GVA discounted to present values over a 60-year period.

13.8 Taking into account additionality, the development on the Whiterock site will support 40 net additional local FTE jobs, supporting wages of £33 million and GVA of £71 million discounted to present values over 60-years.

Table J Quantified benefits of Oxen Cove, Torquay

	Gross direct impacts	Net additional impacts
Temporary construction impacts		
Person-years employment	95	138
Wages	£3.9 million	£5.7 million
GVA	£6.6 million	£9.6 million
Permanent impacts		
Jobs	44	40
Annual wages	£1.5 million	£1.3 million
Annual GVA	£3.2 million	£2.9 million

13.9 The proposed development is also anticipated to generate other non-quantified benefits in Torbay and Brixham, including:

- Supporting the strategic objectives of promoting good quality jobs in Torbay and supporting one of the area's key sectors.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

13.10 The present value of non-repayable public costs is £10 million and the present value of benefits is estimated at £38 million. The benefit to cost ratio is therefore assessed as 3.8, which is considered very high value for money.

14 Hotels to Homes

14.1 Hotels to Homes is a project which aims to convert under-used or derelict hotels across Torbay into social rented housing to help address the local housing crisis.

14.2 This assessment considers the redevelopment of 20 sites across Torbay. With approximately 18 units provided per hotel, the project will deliver 360 residential units in total. As the hotels are vacant and/or derelict, no loss of employment is anticipated as a result of the redevelopment.

Costs

14.3 The total cost of the project is £90 million. This will be funded through £50 million of non-repayable public grant funding and £40 million of repayable public sector loans.

14.4 The present value of non-repayable public sector costs is £50 million.

Benefits

14.5 The economic benefits assessed for this project include the jobs, wages and GVA generated through:

- Construction – this generates temporary employment impacts
- Residential units – this generates permanent employment impacts
- Welfare benefits – this generates permanent impacts.

Construction

14.6 The construction of the proposed development is estimated to support 612 person years of employment. This employment will generate £22.4 million in wages and £47 million of GVA discounted to present values for the duration of the construction phase.

14.7 Taking into account additionality, the construction will support 593 net additional person years of employment, supporting wages of £21.7 million and GVA of £45 million.

Residential Spend

14.8 The proposed development will include 360 social rented accommodation units. Based on the average household composition of social lettings[20], the residential units are expected to accommodate approximately 540 people. The additional spend the residents will bring to the local area will support jobs in the Torbay economy.

14.9 The local spending of new residents will support approximately 28 gross direct FTE jobs. These jobs will generate £17 million in wages and £21 million of GVA discounted to present values over a 60-year period.

14.10 Taking into account additionality, the residential spend will support 15 net additional local FTE jobs, supporting wages of £10 million and GVA of £12 million discounted to present values over 60-years.

Welfare benefits

14.11 The provision of social rented units is anticipated to create £42 million of net additional wellbeing benefits.

Table K Quantified benefits of the Hotels to Homes project

	Gross direct impacts	Place based impacts
Temporary construction impacts		
Person-years employment	612	593
Wages	£22.4 million	£21.7 million
GVA	£47 million	£45 million
Permanent impacts		
Jobs	28	15
Annual wages	£0.8 million	£0.4 million
Annual GVA	£1 million	£0.5 million

14.12 The proposed development is also anticipated to generated other non-quantified benefits in Torbay, including:

[20] MHCLG. Social housing lettings in England, tenants: April 2024 to March 2025

- Supporting the strategic objectives of promoting vitality and diversity across Torbay through helping to reduce vacant units.
- Further opportunities for skills and training, particularly in the construction workforce.

Value for Money

14.13 The present value of non-repayable public costs is £50 million and the present value of benefits is estimated at £74 million, resulting in a benefit to cost ratio of 1.5. The benefit to cost ratio considered alongside the non-quantified benefits indicates that the Hotels to Homes project is likely to deliver Medium value for money.

Appendix 1. Appraisal Methodology

A1.1 This appendix sets out the approach used to appraise the series of regeneration projects.

Gross direct benefits

A1.2 The projects are anticipated to deliver a range of socio-economic benefits. Where possible, benefits have been quantified and monetised in terms of:

- Jobs
- Wages
- Gross Value Added (GVA)
- Wellbeing
- Land value uplift

A1.3 Most projects are appraised over a period of 60 years. This is in accordance with HM Treasury Green Book[21] guidance that the benefits of new-buildings and infrastructure projects can be considered over a period of up to 60 years. Living Coasts, Torquay is appraised over a 10 year period due to the potential for a different future use of the site.

A1.4 As per the Green Book, gross direct benefits are discounted to present values using a 3.5% rate for years 1 to 30 and 3% for years 31 to 60. This accounts for the concept of social time preference; that people generally prefer to receive benefits sooner and incur costs later.

Construction phase

A1.5 Construction phase impacts are temporary. As delivery programmes are not yet available, construction periods of between two and five years have been estimated depending on the scale of the project.

A1.6 Employment in construction is estimated based on the construction cost of the project. This means that only elements of construction cost that will generate employment are assessed (i.e.. land acquisition costs are not included). In accordance with HM Treasury Guidance[22], an optimism bias of 24% has been applied to cost figures to account for the tendency of project appraisers to be overly optimistic about project costs and timelines at the early stage of project development.

[21] HM Treasury (2026). Green Book.
[22] HM Treasury (2013). Green Book Supplementary Guidance: Optimism Bias.

A1.7 ONS Standard Industrial Classification (SIC07[23]) codes have been adopted that capture the activities that construction expenditure will support. For most projects, 'SIC 41: Construction of buildings' is used. Where projects involve other types of construction, 'SIC section F: Construction' is used.

A1.8 Once optimism bias has been applied, construction costs are divided by turnover per worker[24] in the relevant SIC sector to provide an estimate of employment. This is quantified in terms of 'person-years of employment' rather than jobs, given that construction employment can be temporary or intermittent in nature, with a range of trades and activities on site at any given time. One person-year of employment is equivalent to one person working full-time for one year.

A1.9 Wages and GVA are estimated by multiplying the number of temporary construction phase employment with the relevant ONS data[25].

Operation phase

A1.10 Below, the method for assessing different project elements is set out.

Floorspace directly supporting employment

A1.11 The HCA Employment Density Guide[26] provides estimates of the number of full time equivalent (FTE) jobs per sq m of floorspace for a range of uses. The relevant estimate is used to estimate employment where floorspace is being delivered.

A1.12 ONS SIC07 sectors are identified against each activity that the floorspace is expected to support. The SICs are listed in Table A1:1.

A1.13 The estimate of total FTE jobs is then used to calculate total and annual wages and GVA supported over the project appraisal period for the relevant SIC sector.

[23] ONS (2022). UK SIC 2007.
[24] Calculated using ONS Annual Business Survey (2023), ONS Annual Survey of Hours and Earnings (2023) and the ONS Business Register and Employment Survey (2023).
[25] ONS Annual Survey of Hours and Earnings (2025) and ONS (2025) Regional gross value added (balanced) by industry: all International Territorial Level (ITL) regions- 2023.
[26] Homes & Communities Agency (2015). Employment Density Guide, 3rd Edition.

Table A1:1 SIC07 sectors supported by floorspace provision

Project	Floorspace element	SIC Sectors
Living Coasts, Torquay	Theatre	R: Arts, Entertainment and Recreation
	Food and beverage units	56: Food and beverage service activities
Lower Union Lane, Torquay	Light industrial units	Whole economy average
The Pavillion, Torquay	Museum/cultural centre	R: Arts, Entertainment and Recreation
	Food and beverage units	56: Food and beverage service activities
The Strand, Torquay	Hotel	55: Accommodation
	Food and beverage units	56: Food and beverage service activities
Union Square, Torquay	Food and beverage units	56: Food and beverage service activities
	Pannier market	Average of 47: Retail trade, except of motor vehicles and motorcycles 56: Food and beverage service activities R: Arts, Entertainment and Recreation
	GP practices and NHS	Average of 86: Human health activities 82: Office administrative, office support and other business support activities Average wages for GPs and nurses[27]
	Commercial units	52: Warehousing and support activities for transportation
Crossways, Paignton	Food and beverage units	56: Food and beverage service activities
	Community resource centre	87: Residential care activities
Paignton Gateway	Retail units	47: Retail trade, except of motor vehicles and motorcycles
Torbay Tech Park, Paignton	Offices/incubation/laboratory	26: Manufacture of computer, electronic and optical products[28]
Victoria Square, Paignton	Pubic sector offices	84: Public administration and defence
	Retail units	47: Retail trade, except of motor vehicles and motorcycles

[27] Sourced from: NHS public information on healthcare careers.
[28] Note: other high tech sectors are anticipated to occupy Torbay Tech Park, but for consistency with previous economic impact studies, the sector alone has been identified. It broadly captures the level of GVA and average wages paid in anticipated Tech Park businesses.

Project	Floorspace element	SIC Sectors
Brixham Central	n/a	n/a
Brixham Oxen Cove	Fishing industry units	10: Manufacture of food products
Hotels to Homes	n/a	n/a

Residents' spend

A1.14 There will be additional local expenditure as a result of residents occupying the new dwellings. In particular, residents are likely to spend money locally on items such as groceries, clothing, maintenance, health, household appliances and equipment, transport, recreation and culture, and other miscellaneous goods and services. The average annual spend per resident retained within Torbay is estimated at £4,900. This is based on estimates of resident spend provided within the Torbay Retail Study[29] and ONS household expenditure data[30]. The total number of expected residents is multiplied by average annual retained spend per resident to provide an estimate of total expenditure.

A1.15 Average turnover per worker for the sectors where local spend is highest[31] are used to assess employment supported by new residents spend, including:

- 47: Retail trade, except of motor vehicles and motorcycles
- 56: Food and beverage service activities
- R: Arts, Entertainment and Recreation

Visitor spend

A1.16 The impact of visitor spend is assessed where projects include elements which are likely to draw in visitors or increase capabilities for additional visitors to the area.

A1.17 The client has provided estimates of visitors for The Pavilion, Living Coasts and The Strand. These estimates have been multiplied by average spend per visitor figures provided by Visit Britain[32].

[29] Avison Young (2022). Torbay Retail Study 2022.
[30] ONS (2025). Family Spending. Expenditure by region.
[31] Based on data and estimates provided in Avison Young (2022). Torbay Retail Study 2022 and ONS (2025). Family Spending. Expenditure by region.
[32] Visit Britain (2025). Great Britain domestic day visits.

A1.18 For projects which include car parking, the number of additional car parking spaces is multiplied by an estimate of spend per visitor[33] to provide an estimate of total additional visitor spend.

A1.19 Average turnover per worker in sectors where spend is anticipated is used to assess employment supported by visitor spend:

- 47: Retail trade, except of motor vehicles and motorcycles
- 56: Food and beverage service activities
- R: Arts, Entertainment and Recreation.

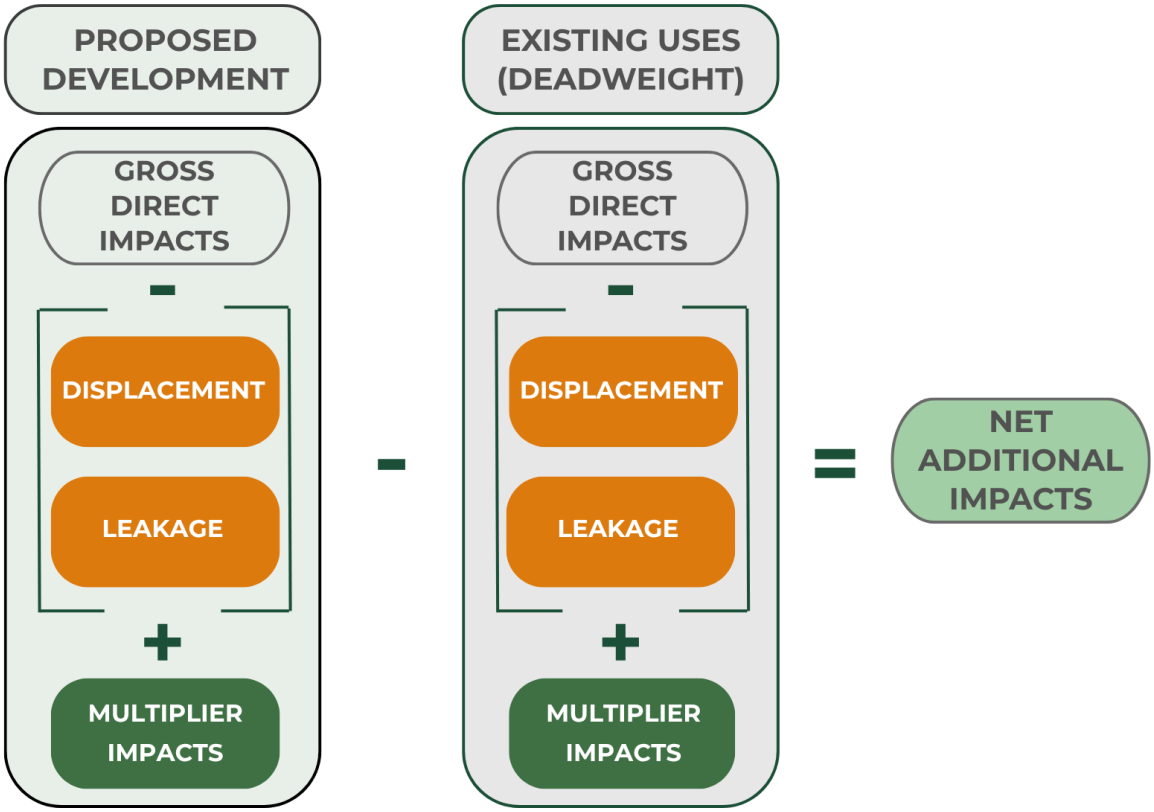
Net additional impacts

A1.20 Net additional impacts are the economic impacts that are genuinely 'additional' to a local area. They are the impacts that remain after adjusting gross direct impacts for potential deadweight, leakage and displacement effects, and after taking account of multiplier impacts. Figure A1:2 shows how net additional impacts are calculated from gross direct impacts.

- Displacement - the amount of activity that is offset by reductions elsewhere within an area.
- Leakage - the benefits that 'leak' outside of an area including jobs and expenditure.
- Multipliers - the associated indirect and induced impacts of the proposed development. These include the jobs supported as a result of direct temporary or permanent workers spending their wages, or the jobs supported in businesses procured from in supply chains.
- Deadweight - the impacts expected to have occurred in the absence of the proposed development. Deadweight impacts are also adjusted for leakage and displacement to provide a more robust assessment of genuine impacts of existing uses.

[33]Based on spend estimates and visitors arriving by car estimates provided in Torbay Council (2022). English Riviera Destination Management Plan Baseline 2022-2027.

Figure A1:2 How net additional impacts are estimated



A1.21 The degree of additionality is expected to differ for each project. Specific additionality adjustments used within the assessment of projects are set out in Appendix 2.

Welfare benefits

A1.22 Welfare benefits are estimated for projects which include provision of social rented housing. These additional benefits are expected based on the economic principle of the diminishing marginal utility of income which states that the value of an additional pound of income is higher for a low income recipient than for a high-income recipient.

A1.23 The HM Treasury Appraisal Guide[34] sets out a methodology for assessing welfare benefits of social housing provision. The guidance uses data on the income deciles of social tenants to understand estimate the welfare gain. It finds that for every £1 spent on a social housing tenant, there is an additional £0.75 of welfare benefit. This figure is then multiplied by the additional money the tenants would have under social rent prices compared with market rent to provide an estimate of welfare benefit per tenant in England.

[34] MHCLG Appraisal Guide Technical Annex (2026). Annex H: Distributional impacts.

A1.24 This methodology has been applied to the series of projects in Torbay, using South West based data. The median weekly rent of social housing lettings in the South West in 2024/25 was £116[35]. Given that social rented housing is offered at 50% of the market rate, we assume that median weekly rent for private rented housing was £232. Taking the difference between the two as the additional amount the social tenants would have under the proposed scheme and multiplying by £0.75, there is an estimated weekly welfare benefit of £87 per tenant.

A1.25 This value is then extrapolated to provide an annual figure and multiplied by the expected number of tenants to estimate gross welfare benefits across the appraisal period.

A1.26 Gross direct impacts are adjusted for leakage, displacement, multipliers and deadweight, to provide an estimate of net additional impacts of welfare benefits.

Table A1:3 Net additional adjustment factors for welfare benefits of social housing

Additionality	Adjustment and reason
Leakage	20%- A proportion of the units are expected to be taken by people that are not currently residents of Torbay.
Displacement	0%- Due to long waiting lists for social rented housing (currently the highest number since 2014[35]), all units are anticipated to be filled by residents not currently in social rented units in Torbay.
Multiplier	The additional welfare benefit is not anticipated to generate multiplier impacts beyond those already accounted for through residents spend.
Deadweight	Social rented housing is not likely to be delivered by the market due to viability.

Land value uplift

A1.27 The Land Value Uplift (LVU) was calculated for the projects, where possible. It was calculated following guidance from the MHCLG Appraisal Guide and the HM Treasury Green Book. The method used to calculate LVU follows Annex C and Annex D in the MHCLG Appraisal Guide: Technical Annex.[36]

A1.28 LVU was calculated for two of the 12 projects (Victoria Square and Torbay Tech Park) using MHCLG Land Value Estimates.[37] A LVU calculation was possible for these projects only due to the limited range of uses that the Land Value Estimates covers.

[35] MHCLG Accredited Statistics (2025). Social housing lettings in England, tenants: April 2024 to March 2025.
[36] MHCLG (2026). MHCLG Appraisal guide: Technical annex.
[37] MHCLG (2026). Guidance: Land value estimates for policy appraisal 2023. Available at: https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2023

A1.29 The site hectarage for each project was calculated using QGIS. Site size was then multiplied by the Land Value Estimates to estimate the existing value of land in its current use and in its proposed new use. The LVU estimate is equal to the new land use value minus the existing land use value.

A1.30 As per the MHCLG Appraisal Guide, a 25% additionality adjustment has been applied to account for potential deadweight and displacement effects. This low additionality factor reflects:

- The strong market failure associated with the Victoria Square, Paignton project, for example, due to the sunk costs associated with delivering a scheme on the site.
- The strong strategic rationale for delivering Torbay Tech Park at these sites. Due to the cluster of high tech industries in EPIC, Paignton and around Torbay, supporting the cluster requires investment at these areas only.

A1.31 The site sizes, land value estimates categories, and the estimated land use values are set out in Table A1:4.

Table A1:4 Land Value Uplift for Victoria Square, Paignton and Torbay Tech Park, Paignton

	Project	
	Victoria Square	Torbay Tech Park
Site size	3.6ha[38]	2.9ha[39]
Existing Use		
Land Value Estimate Category	Retail[40]	Car park[41]
Existing Land Use Value	£20.5 million	£5.2 million
New Use (Proposed)		
Land Value Estimate Category	Residential	Office[42]
New Land Use Value	£24.6 million	£9.0 million
Land Value Uplift (LVU)	£4.1 million	£7.2 million
Net Additional LVU	**£3.1 million**	**£5.4 million**

Value for Money

A1.32 Achieving value for money can be defined as using public resources in a way that creates and maximises public value while achieving policy objectives.

A1.33 A value for money assessment should help decision makers judge whether the expected costs of a proposal are justified by its expected benefits to the economy, society and the environment. The MHCLG Appraisal Guide sets criteria for assessing the value for money (VfM) of regeneration and housing projects.

[38] Based on the proposed development floorspace, it is estimated that 83% of the site will change from retail use to residential use. Therefore, the LVU was only calculated for this proportion of the site.
[39] This site size excludes Unit D, Westfield. LVU was only calculated for the Whiterock site.
[40] Since there was no land value estimate for Torbay, an average of the Poole, Kingswood and Fishponds, Weston-super-Mare and Plymouth retail land value estimates was used.
[41] The current site is non-developed land, but it is not agricultural or greenfield land. Therefore, car park was used as the closest land value estimate. Since there was no estimate for Torbay, an average of the Poole, Kingswood and Fishponds, Weston-super-Mare and Plymouth car park land value estimates was used.
[42] Since there was no land value estimate for Torbay, the office land value estimate for Kingswood and Fishponds was used.

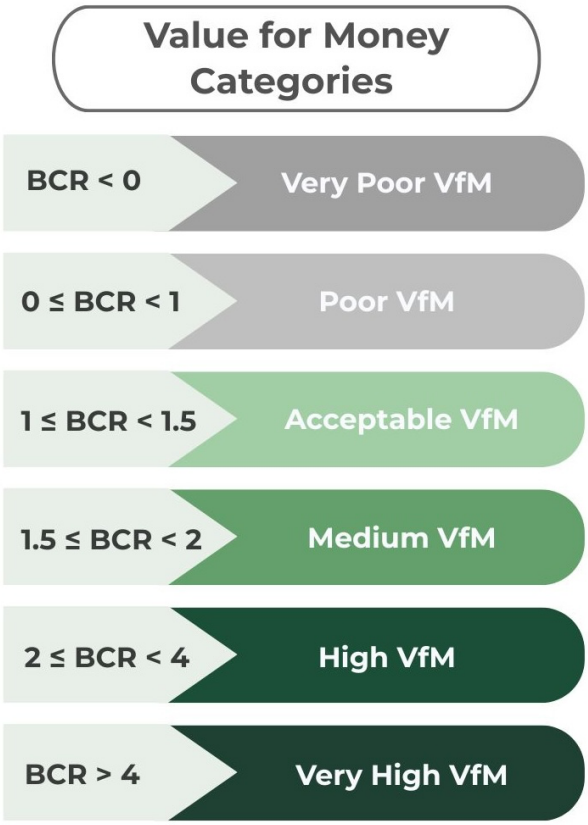
A1.34 The Benefit to Cost Ratio (BCR) is an important factor in the VfM assessment. The BCR can be interpreted as the estimated level of social benefit per £1 of cost to the public sector. It is calculated by dividing the present value of social benefits by the present value of social costs.

A1.35 The present value of social costs is the value of the non-repayable public grant funding, discounted to present values.

A1.36 The primary method for assessing social benefits in the MHCLG Appraisal Guide is land value uplift. However, the scale of this project inhibits an assessment for most projects, excluding those set out in A1.28. The present value of social benefits has therefore been assessed as the net additional wages over the appraisal period, discounted to present values, minus the value of any disbenefits to the private sector (e.g. private sector investment). Land value uplift and welfare benefits are added to the calculation where relevant.

A1.37 Figure A1:5 sets out the value for money that a project is likely to achieve with a range of BCRs. As per the MHCLG Guidance, the BCR is not the sole contributor to the VfM assessment; non-quantified benefits are considered alongside the BCR in the final value for money assessment.

Figure A1:5 The BCR in the VfM assessment



Source: MHCLG (2026). The MHCLG Appraisal GuideBook.

Appendix 2. Additionality Adjustment Factors

A2.1 This chapter sets out the additionality assumptions for the construction and operation phases for each project.

Construction

A2.2 Table A2:1 presents construction phase additionality assumptions for all projects.[43]

A2 1 Net local adjustment factors – Construction

Net local Adjustment Consideration	Adjustment Factor	Reason
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.[44]
Displacement	25%	Low level of displacement. Small scale project likely to reduce outputs elsewhere to limited extent.[45]
Multiplier effect	1.31	The construction of the projects will involve purchases from various suppliers who purchase form other suppliers in the supply chain. Therefore, multipliers for supply chain impacts (0.41) and for induced impacts (0.9) are applied.[46]
Deadweight	Nil	N/A

[43] The additionality adjustment factor for displacement for the Victoria Square, Paignton Gateway and Hotel to Homes projects chosen was 50%. It is expected that there will be a moderate level of displacement for these projects since they are fairly large-scale projects will likely reduce outputs elsewhere, particularly given the timeline of all construction in Torbay over next 5-10 years. However, there is a relatively high proportion of unemployed people in Torbay, therefore the labour market will be able to absorb extra jobs (ONS Claimant count by sex and age, 2025)
[44] Census (2011) data was used due to the Covid-19 pandemic affecting the quality and robustness of the commuting data within the 2021 Census.
[45] MHCLG (2026) Appraisal Guidance.
[46] What Works Centre for Economic Growth (2019). Toolkit: Local Multipliers. For each additional construction job, it is estimated that 0.41 tradable sector jobs (supply chain) and 0.9 non-treadable jobs (induced impact) are created.

Operation

Living Coasts, Torquay

A2 2 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Café		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.[47]
Displacement	25%	Low level of displacement. Small scale project likely to reduce outputs elsewhere to limited extent.[48]
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Theatre		
Leakage	0%	No leakage, very small-scale project.
Displacement	0%	No displacement. Very small-scale project unlikely to reduce outputs elsewhere.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Visitor Spend		
Leakage	0%	None of the additional spend will 'leak' outside the area
Displacement	50%	Medium level of displacement. There is likely to be capacity within existing local businesses to absorb additional spend. Most visitors to Torbay are returning visitors.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A

[47] 2011 Census data was used due to the Covid-19 pandemic affecting the quality and robustness of the commuting data within the 2021 Census.
[48] MHCLG (2026) Appraisal Guidance.

Lower Union Lane, Torquay

A2 3 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Light industrial		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.[49]
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Residential Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A

The Pavillion, Torquay

A2 4 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Agatha Christie Centre		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.

[49] MHCLG (2026) Appraisal Guidance.

Net local Adjustment Consideration	Adjustment Factor	Reason
Deadweight	Existing use	Existing commercial and residential units.
Visitor Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay
Displacement	50%	Medium level of displacement. There is likely to be capacity within existing local businesses to absorb additional spend. Most visitors to Torbay are returning visitors.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	Existing commercial and residential units.
Restaurant employment		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay
Displacement	50%	Medium level of displacement. About half of the activity would be displaced
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	Existing commercial and residential units.

The Strand, Torquay

A2 5 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Restaurant and café (Commercial units)		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay
Displacement	50%	Medium level of displacement. About half of the activity would be displaced
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	Existing commercial and residential units.
Hotel		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay

Net local Adjustment Consideration	Adjustment Factor	Reason
Displacement	50%	Medium level of displacement. About half of the activity would be displaced
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	Existing commercial and residential units.
Visitor Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay
Displacement	50%	Medium level of displacement. There is likely to be capacity within existing local businesses to absorb additional spend. Most visitors to Torbay are returning visitors.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	Existing commercial and residential units.

Union Square, Torquay

A2 6 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Pannier Market		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	The existing employment at the Pannier Market.
GP practice		
Leakage	Nil	N/A
Displacement	100%	The entire GP practice will be displaced from elsewhere.
Multiplier effect	Nil	N/A
Deadweight	Nil	N/A
NHS related services		

Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	75%	Three fourths for the employment will be displaced from elsewhere in the local area.
Multiplier effect	0.25	Public sector multiplier.[50]
Deadweight	Nil	N/A
Commercial uses		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Residential Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	The existing shopping centre.
Food and Beverage		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	The existing shopping centre.

[50] What Works Centre for Economic Growth (2019). Toolkit: Local Multipliers.

Crossways, Paignton

A2 7 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Community Resource Centre		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay
Displacement	50%	Medium level of displacement. About half of the activity would be displaced
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Existing use	Existing day centre at Hallacombe.
Extra-Care Housing		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Café		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Residential Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A

Paignton Gateway

A2 8 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Commercial floorspace		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	25%	Moderate level of displacement since project likely to reduce outputs elsewhere to some extent. However, there is a relatively high proportion of unemployed people in Torbay. The labour market is able to absorb extra jobs.51
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Residential Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Visitor Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. There is likely to be capacity within existing local businesses to absorb additional spend. Most visitors to Torbay are returning visitors.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A

[51] ONS Claimant count by sex and age, 2025

Torbay Tech Park, Paignton

A2 9 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
White Rock Site		
Leakage	66%	Standard level of leakage + 50%, high skilled jobs likely that ppl will travel in and unlikely that they would be able able to hire all worker from Torbay, high skilled jobs. There is already EPIC, ppl that have the skills and live there are already working there
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	1.31	The project will create tradable jobs, therefore multipliers for supply chain impacts (0.41) and for induced impacts (0.9) are applied.[52]
Deadweight	Nil	N/A
Unit D, Westfield Business Park		
Leakage	66%	Standard level of leakage + 50%, high skilled jobs likely that ppl will travel in and unlikely that they would be able able to hire all worker from Torbay, high skilled jobs. There is already EPIC, ppl that have the skills and live there are already working there
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	1.31	The project will create tradable jobs, therefore multipliers for supply chain impacts (0.41) and for induced impacts (0.9) are applied.52
Deadweight	75%	High deadweight. It is unlikely that the Lumentum building would stay unoccupied in the absence of the intervention.

[52] What Works Centre for Economic Growth (2019). Toolkit: Local Multipliers. For each additional job, it is estimated that 0.41 tradable sector jobs (supply chain) and 0.9 non-treadable jobs (induced impact) are created.

Victoria Square, Paignton

A2 10 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Commercial floorspace		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	25%	Moderate level of displacement since project likely to reduce outputs elsewhere to some extent. However, there is a relatively high proportion of unemployed people in Torbay. The labour market is able to absorb extra jobs.[53]
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A
Public Sector Hub		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	90%	High level of displacement. All jobs are based in Torbay anyway.
Multiplier effect	0.25	Public sector impacts on private sector jobs.
Deadweight	25%	Low deadweight. Vacant currently, but unlikely to remain vacant or undeveloped over the next 60 years.
Residential Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A

[53] ONS Claimant count by sex and age, 2025

Brixham Central

A2 11 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Visitor Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. There is likely to be capacity within existing local businesses to absorb additional spend. Most visitors to Torbay are returning visitors.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A

Oxen Cove, Brixham

A2 12 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Fish industry development		
Leakage	30%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay with 14% additional leakage to account for supply chain expenditure leakage (given not all equipment and input goods will be produced locally).
Displacement	25%	Low level of displacement Some displacement anticipated in the supply chain and in loss of car parking spaces.
Multiplier effect	1.31	Fishing is a tradeable sector and is likely to have supply chain impacts within the local area (e.g. boat repairs, etc.). Therefore, multipliers for supply chain impacts (0.41) and for induced impacts (0.9) are applied.[52]
Deadweight	25%	A low deadweight percentage is applied since the site is already partly used for fishing related activity.

Hotels to Homes

A2 13 Net local adjustment factors – Operation

Net local Adjustment Consideration	Adjustment Factor	Reason
Residential Spend		
Leakage	16%	Based on the number of people that live and work in Torbay as a proportion of all those who work in Torbay.
Displacement	50%	Medium level of displacement. About half of the activity would be displaced.
Multiplier effect	0.3	Induced impacts. Very low to show limited extent of non-tradeable jobs on other non-tradeable jobs.
Deadweight	Nil	N/A

HARDISTY • JONES

BRISTOL

27 Trenchard Street,
Bristol, BS1 5AN

01172 355 075

CARDIFF

10th Floor, Brunel House
2 Fitzalan Rd, Cardiff, CF24 0EB

02921 508 950

contact@hardistyjones.com

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